



ANNUAL REPORT 2014/2015

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Contents

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

Vision:

The municipal vision is

“To be a reliable, people-centred, performance-driven deliverer of sustainable services to our communities”.

Kgetleng Rivier Local Municipality [KRLM] is one of the five local municipalities within Bojanala Platinum District Municipality, confronted with serious challenges such as poverty, illiteracy and high unemployment. As water Service Authority bulk services remain key challenge to the municipality.

Key Policy Development

KRLM has adopted the Integrated Development Plan [IDP] and Budget as Key strategic Documents to guide the municipality in implementation of its objectives as well as Key performance Indicators as per relevant legislations. The approval of Service Delivery and Budget Implementation Plan provide a platform for clear targets with financial implications thereof.

All senior managers have signed performance Agreements and reported on quarterly and annual basis. The municipality align strategic objectives to management performance contracts.

Strategic goals and intergovernmental alignment

All strategies and political objectives of KRLM are elucidated in this section. The four strategic objectives are listed below;

Strategic Goal 1: Sustainable services to the community

Strategic Goal 2: to promote a sound environmental management system

Strategic Goal 3: To provide sound governance for local communities

Strategic Goal 4: to ensure sound governance practices within the Municipality

The above strategic goals were informed by the national outcomes and the national development plan in the contest of local government agenda

Preface

Community Outreach Programme

As provided for by legislation, this section sets out mechanisms through which the municipality consults communities and other stakeholders in its area of jurisdiction. These include Mayoral Road shows where the Mayor and Council convene public meetings to solicit inputs from the community and provide feedback on general service delivery issues and budget implementation. Furthermore communities are accorded the opportunity to view both the drafts of both the IDP and the budget on the municipality's website, public libraries and inputs can also be sent via e-mail to the IDP unit.

In addition to October 2014 Mayoral Road-shows, KRLM requested IDP/Budget public inputs. Subsequently over 6 Mayoral Road-shows were undertaken to report on the draft IDP/Budget during April 2015. This was also complimented by ward committees information-sharing in ward meetings. These committees mainly advise ward councilors on matters such as ward development plans and may submit through the ward councilor items to council pertaining to a specific ward.

Service Delivery

This section provides a list of all service delivery projects in a specific MTEF cycle. These projects are developed to address the needs raised by the community during the IDP road-shows. Key Performance Indicators are attached to each specific project for easy monitoring. It should be borne in mind that the list of projects referred to in here are projects for which financial resources have been committed in the budgets and excludes projects that are not funded.

Following from this list of projects, the Service Delivery and Budget Implementation Plans are then developed and presented to the Municipal Manager who in turn submits such a document to the Mayor for approval. Having approved the SDBIP, the Mayor then tables the document for noting before Council and it is utilized by Councilors, officials and other stakeholders for monitoring.

The municipality engages with various departments and managed to secure big projects such as Koster Waste Water Treatment Works and inclusion in the Pilanesburg Bulk Water Supply. These projects will assist in augmentation of our Bulk infrastructure required to address backlogs and create a basis for future development.

PARTNERSHIPS

The municipality has not entered into any partnership in the financial year 2014/15.

Preface

Conclusion

The municipality is still committed to clean audit and compliance with all relevant legislation in order to fast track Service Delivery to the community at large. Let me thank management and entire staff for their dedication and endeavor during the year under review.

O.K. Medupe

Mayor

Chapter 3

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

Introduction

This Annual Report represents a record of the KRLM service delivery efforts and initiatives over the review period. The service delivery activities drove the budget utilization during the financial year.

The KRLM was established in 2000, through amalgamation of local authorities, including the Koster, Swartruggens Municipality, and the Derby Municipality. The amalgamation saw the newly established municipality assume responsibility for both urban and peri-urban areas to improve delivery of constitutionally mandated basic services. The by-laws and policies of the various erstwhile municipalities were harmonized and standardized.

The 2014/15 annual Report has been compiled in accordance with the section 46 of the Local Government: Municipal Systems Act, [Act No: 32 of 2000] as well as section 121 of the Local Government: Municipal Finance Management Act, [Act NO: 56 of 2003] and MFMA circular 63 from National Treasury.

IDP and Budget Process

For the year under review KRLM adopted the IDP and Budget. The total budget of the municipality for 2014/2015 was R121 200 Million of which R 114 million was for operation and R27 215 million was for capital expenditures, respectively.

KRLM continues to take electricity and water conservation as a matter of priority. The Municipality conducted external community awareness campaigns; focuses on internal consumption, through the installation of energy efficient lighting and occupancy sensors in municipal buildings and facilities. With regard to water conservation a project was implemented.

Service Delivery and Challenges

Definite strides were made in improving the quality of life of our residents. Management notes that challenges remain, specifically in securing greater public participation and engagement in decision-making and planning processes. In addition Budget does not address all the needs and priorities of the residents. The Municipality had to prioritize securing external sources of funding and broadening its revenue base. Further challenges experienced during the 2014/15 financial year, *inter alia*, included: Cash flow problem arising from withheld of equitable share by National Treasury and non-

payment of services. High Vacancy Rate Organizational development challenges resulting from high disciplinary cases and staff turnover. Inadequate funding for basic services infrastructure

Asset Management

KRLM appointed a service provider to carry out asset verification and valuation for purposes of creating an asset register.

Audit Queries [2013/2014]

KRLM has developed and implemented the Audit Improvement plan to address issues raised by Auditor General. The outcome of these efforts is evident in the revamped Annual Report. The Audit steering committee was also established to engage external audit process. The municipality has managed to resolve 71% of findings and 29% are still remaining. Much effort is being put in order to ensure that all remaining findings are addressed within remainder of the financial year.

Utilization of Grants

The municipality has received grants to the amount of R 27 083 for capital projects of which R21 million was for MIG and 6 million operational grants [EPWP, FMG,LG seta and Library]. The municipality did not spend the entire grant hence roll over was applied and approved.

Revenue Arrears

The approval of revenue enhancement policy created a platform to engage with the communities regarding non-payment of services. KRLM also engaged the provincial government for payment of services by government institutions. A request was made to request additional funding for indigents.

Conclusion

Finally, I would like to record my sincere appreciation for the efforts and hard work of the staff of the Kgetleng Rivier Local Municipality, without which the service delivery progress reported in this Annual Report, would not have been possible. Their commitment and dedication, in the face of constraints and challenges, to serving the communities of Kgetleng is commendable.

Ben Mothogoane
Acting Municipal Manager

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Kgetleng Rivier Local Municipality is a category B municipality which consists of urban area and farm areas mostly. It is within the Bojanala Platinum district municipality. According to stats SA the population of the municipality is 51 049 with six wards.

MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

The municipality derives its functions from the section 156 and 229, as well as schedule 4b and schedule 5b of the Constitution of the Republic of South Africa.

The following local government matters to the extent set out in section 155(6)(a) and (7):

Air pollution

Building regulations

Child care facilities

Electricity and gas reticulation

Firefighting services

Local tourism

Municipal airports

Municipal planning

Municipal health services

Municipal public transport

Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law

Storm water management systems in built-up areas

Trading regulations

Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems

The following local government matters to the extent set out for provinces in section 155(6)(a) and (7):

Beaches and amusement facilities

Billboards and the display of advertisements in public places

Cemeteries, funeral parlors and crematoria

Cleansing

Control of public nuisances

Control of undertakings that sell liquor to the public

Facilities for the accommodation, care and burial of animals

Fencing and fences

Licensing of dogs

Licensing and control of undertakings that sell food to the public

Local amenities

Local sport facilities

Markets

Municipal abattoirs

Municipal parks and recreation

Municipal roads

Noise pollution

Pounds

Public places

Refuse removal, refuse dumps and solid waste disposal

Street trading

Street lighting

Traffic and parking

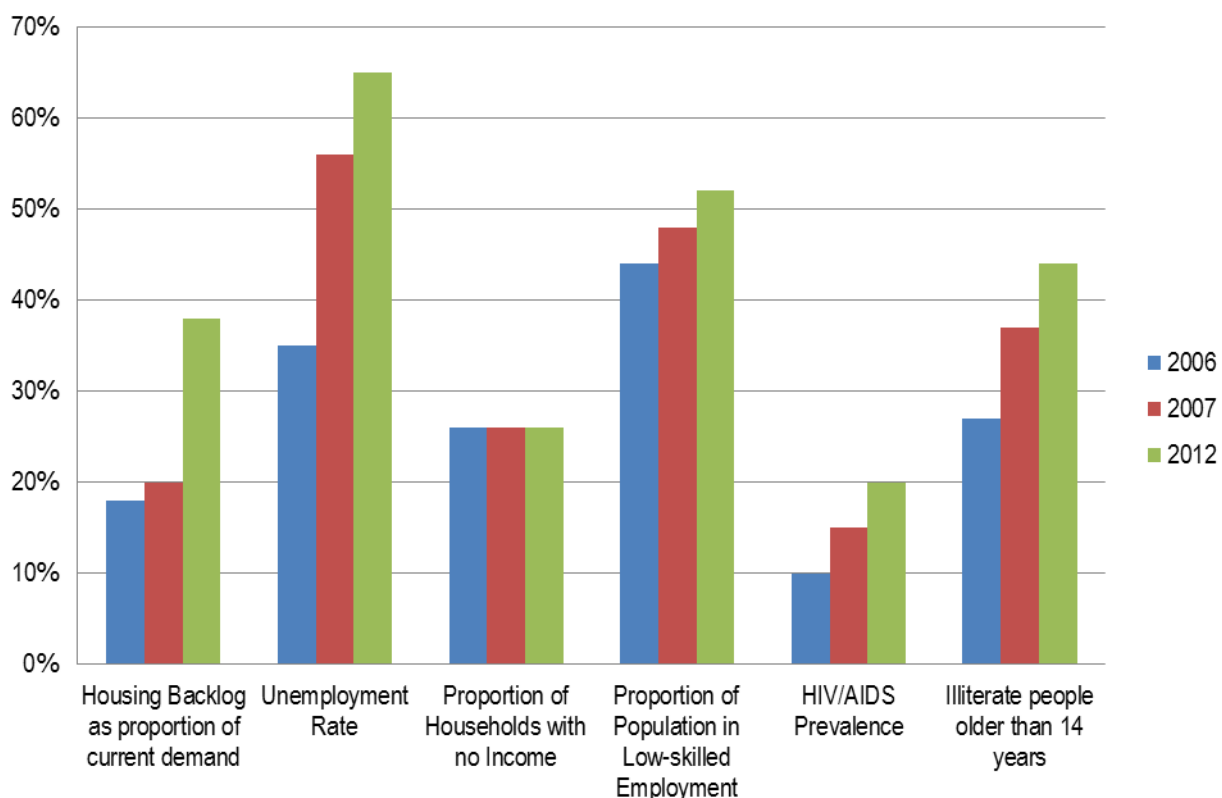
Population

2012									
Age	2001			2007			2012		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	1311	1256		2933	2933		2933	2933	2599
05-19	4768	3128		6889	6889		6889	6889	6671
20-29	4881	4277		5142	5142		5142	5142	4094
30-49	4790	6449		7339	7339		7339	7339	6231
50-69	1782	2730		3875	3875		3875	3875	3361
70-120	531	409		854	854		854	854	1058
Source: Statistics SA 1.2.2									T

SOCIO ECONOMIC STATUS

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2006	18%	35%	26%	44%	10%	27%
2007	20%	56%	26%	48%	15%	37%
2012	38%	65%	26%	52%	20%	44%
						T 1.2.4

Socio Economic Status



OVERVIEW OF NEIGHBOURHOODS

Overview of Neighborhoods within Kgetleng Rivier Local Municipality		
Settlement Type	Households	Population
Towns		
Koster	2005	4011
Derby	369	897
Swartruggens	1482	10078
Sub-Total	3856	14986
Townships		
Reagile	5709	16814
Borolelo	3410	8580
Redirile	542	5447
Sub-Total	9661	30841

Rural settlements		
Mazista	500	4864
Ratsegae	200	357
Sub-Total	700	5221
Informal settlements		
Sub-Total	0	0
Total	14673	51049

The Kgetlengrivier municipal area has rich natural mineral resources which makes a sustainable impact on the continued economic development and creation of jobs if considered as part of the economic development plan of the IDP of the municipality.

Apart from existing predominant agricultural use of land, some of the overall key trends and tendencies which characterize the economic landscape of the district particularly relevant to KRLM include a rapidly increasing mining sector dominating the economy landscape.

As per the 2014/15 IDP of Kgetlengrivier an integrated environmental management plan is the *code of practice* that ensures that environmental considerations are fully integrated into the management of all activities to achieve desirable balance between conservation and development. The Environmental Conservation Act 73 of 1989(ECA) provides for the effective protection and controlled utilization of the environment. The Constitution of the Republic of South Africa Act 108 of 1996, section 24, stipulates secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development. As per the DEAT Guideline on Strategic Environmental Assessment 2000 Environmental Impact Assessment for specific projects should be done with careful consideration of the benefits of development versus the protection and conservation of the natural resources and environment.

National Government has set targets for development in the country. In alignment with the sated targets and strategy, the province developed the Provincial Growth and Development Strategy (PGDS). The strategy provides a framework for the development of the province over the next 10 years, from which the Bojanala district then compiled a district growth and development strategy that refines the goals and targets in this Strategy, aimed at establishing a common vision for growth and development within the district. Some of the overall key trends and tendencies which characterize the economic landscape of the district particularly relevant to KRLM include the rapidly increasing mining sector dominating the economy landscape.

Natural Resources	
Major Natural Resource	Relevance to Community
Slate	Slate is mined within the community and it provides jobs to local people as well as empowerment to SMME'S.
Diamonds	There is a huge potential in the diamonds industry. Currently there are number of mines allocated license to operate within the municipal boundary. The economic development of the municipality will get enough boosts.
Land	The municipality has vast land which majority of it is used as agricultural. Agriculture is main source of economy within the municipality.

The municipality is not optimizing all natural resources they at their disposal. The LED strategy of the municipality outlined what needs to be done in order to ensure that our natural resource do create work opportunities for the local communities.

1.3. SERVICE DELIVERY OVERVIEW

The municipality during the financial year 2014/2015 prioritize as follows:

Roads and Storm water
Water and Sanitation
Electricity
Waste management

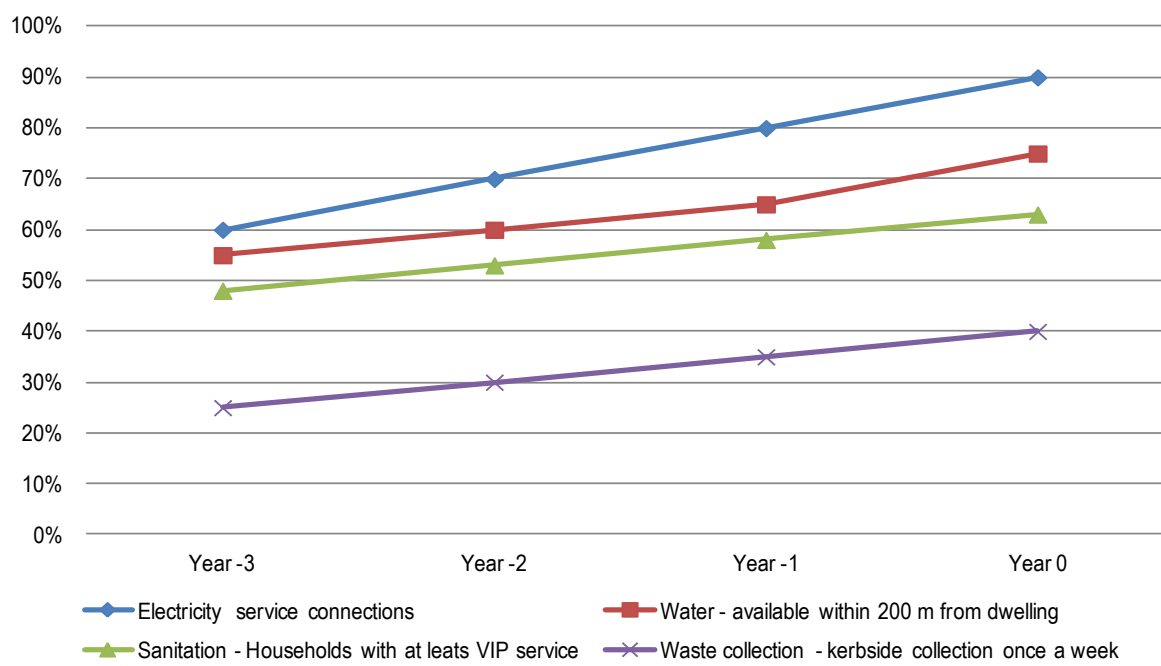
The municipality through the assistance of BPDM did manage to provide 1000 households with water and water borne system.

Number of households in the municipality	14673
Number of billed households in the Municipality	8456
Number of registered indigent	2034

Challenges

Ageing infrastructure
Limited budget
Human capacity

Proportion of households with access to basic services



T 1.3.2

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The municipality largely depend on the grant and collection rate is around 60 %. The culture of non-payment in the municipality is of a serious concern as it hampers with the service delivery. The municipality has a challenge with rate payers association opened their bank account. They are contributing their property rates in trust account.

There is a need to improve the relations with all relevant stakeholder in order for the municipality can recoup the funds owe to the municipality.

Financial Overview: 2013/14			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:	133 424		
Grants	27 215		
Taxes, Levies and tariffs	109.72		
Other	0		
Sub Total			
Less: Expenditure			
Net Total*			
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	35%
Repairs & Maintenance	8%
Finance Charges & Impairment	11%
T 1.4.3	

Total Capital Expenditure: 2013/2014	
Detail	2014/15
Original Budget	27.215
Adjustment Budget	27.215

The municipality has not doing well with regard to the implementation of capital projects. There has been termination of service providers due to lack of capacity. It affected our expenditure hence a roll over was applied for.

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

The Municipality is faced with key challenges relating to organizational development with respect to high staff turnover, unconcluded disciplinary cases and staff placement within the approved structure.

Staff turnover

STAFF TURN OVER		
Details	Total Appointments from the Beginning of the year	Terminations during the Financial year
2014/15	15	1
2013/14	10	13
2012/13	43	14

As shown in the above table, the municipality made few appointments as compared to terminations.

Salary Bill

Employees and Councilor related cost			
Detail	Employees	Councilors	Actuals
2014/2015	37 396	5 306	40 732
Adjustment Budget	0	0	

Kindly refer to chapter 4 for full break down.

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT

The municipality has received the Qualified audit opinion in the financial year 2013/2014. Chapter 6 will outline how the municipality is performing in terms of auditor general report.

STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 2014/2015 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December

17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January
<i>T 1.7.1</i>		

COMMENT ON THE ANNUAL REPORT PROCESS:

The municipality needs to put a lot of effort in order to can comply with circular 63. The municipality is reporting in line with relevant legislation and the only challenge is submission of POE by respective directorates and there need to comply with circular 63.

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

KRLM is a plenary type municipality with its decisions taken by entire Council. The Municipality has established section 79 committees in line with the Municipal Structures Act to assist the mayor in disposing her responsibilities. The Municipality is divided by 4 departments

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Note: The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

KRLM is a plenary type municipality with its decisions taken by entire Council. The Municipality has established section 79 committees in line with the Municipal Structures Act to assist the mayor in disposing her responsibilities. The Municipality is divided by 4 departments

POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Note: MFMA section 52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

The municipality has 12 Councillors with only the Mayor/ Speaker being full time. The municipality has adopted 4 Portfolio committees

POLITICAL STRUCTURE



MAYOR /SPEAKER
O. Medupe



CLR. O. Molusi



CLR M. Molefe



CLR D. Mogale



CLR. R. Zwide

COUNCILLORS

NAMES OF COUNCILLORS

The council consists of five (5) female councilors and seven (7) male councilors, and their respective names and designated capacities are presented hereunder as follows:

Names of Councilors and Political Parties

Figure 2.1.

Ward Number	Ward Councilor	Party representing	PR Councilor	Party representing
01	Cllr T. Jacobs	ANC	Cllr George Naledi	ANC
02	Cllr Marais BvZ	DA	Cllr Lekabe R.K	ANC
03	Cllr Snyman J.P	DA	Cllr Robinson P.S	DA
04	Cllr Molusi O.S	ANC	Cllr Medupe O.D	ANC
05	Cllr Kgari A.V.R	ANC	Cllr Mogale	ANC
06	Cllr Zwede A.V.R	ANC	Cllr Molefe M.L	ANC

Councilor O.D Medupe was elected as the Mayor/Speaker, given the status of KRLM as plenary municipality

POLITICAL DECISION-TAKING

REFER TO THE LAST ANNEXURE

T 2.1.3

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The municipality has established the Municipal Public Accounts Committee which comprise of the following Councillors

NAME	POLITICAL PARTY
CLR A.V. Kgari [Chairperson]	ANC
CLR M. Molefe	ANC
CLR D. Mogale	ANC
CLR P. Snyman	DA
CLR B. Marais	DA

2.2 ADMINISTRATIVE GOVERNANCE


INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Note: MFMA section 60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

Section 82 of the Municipal Systems Act [act 32 of 2000] as amended that the municipality must appoint the Municipal Manager, who is the head of the Administration and therefore Accounting Officer.

KRLM has appointed the MM in line with all relevant legislation. The management team comprise of four directorates

PHOTO	NAME	DIRECTORATE
	MR B. MOTHOGOANE Acting Municipal Manager	As head of the Administration and Accounting officer of the municipality is subject to the policy directions of the municipal council and is accountable for duties and responsibilities outlined in Section 155 of the Local Government: MSA, Act 32 of 2000.
	MR. S. NGWENYA ACTING CFO	This department is responsible for financial management, budgetary process as well as revenue enhancement.
	MR. S. NXUMALLO Director Infrastructure and Technical Services	The department is responsible for Water and Sanitation,, Electricity and

		Roads and storm water
	MR. P. Kgosimore Acting Director Community Services	The department is responsible for Waste Management, Parks and Cemeteries, Libraries, Public Safety and community facilities
	MR. V. Mtshengu Director Corporate Services	The department is responsible for Administration, Legal and Human Resources

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Note: MSA section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution section 41.

The Intergovernmental Relations seeks to provide a platform for promotion of co-operation between the National, Provincial and Local spheres of government on fiscal, Budgetary and Financial matters; to prescribe a process for the determination of an equitable sharing and allocation of revenue raised nationally; and to provide for matters in connection therewith.

2.3 INTERGOVERNMENTAL RELATIONS

National (Presidential Coordinating Council)

The Municipality is not involved at that level. But constantly there is an engagement with Department such as DWA and Public works. As a result of this engagement the Municipality has been included in a Regional Bulk Infrastructure Grant to construct the Koster Waste Water Treatment Works to the Amount of 50Million.

Provincial (North West Premier Coordinating Council)

The Municipality is directly involved in the said structure. The alignment of key documents such as IDP, SDBIP and Budget with national imperatives is assessed at that level. There are number of initiatives aimed at improving the municipal capacity in carrying out service delivery carried out by the Province.

District (District Intergovernmental Relations)

The Municipality through various directors and the Mayor participate in a number of forums at the District Level. The municipality has benefited from those structures among other include; Water and Sanitation Reticulation in Borolelo Ext4 and update of Indigent Register.

Local Intergovernmental Relations

Furthermore to the above structure the Mayor engage with local Sector Departments on a quarterly basis. The purpose is to engage the departments in matters that affect the municipality. They further participate during the IDP and Budget process of the municipality. The municipality has benefited a lot through this forum as community problems are dealt with at that level.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality is bound to consult with the communities on matters that affect them and account to them from time to time. The law requires the municipality to engage communities in relation to Budget and IDP.

Public Meetings

The Municipality conducted 25 of Community meetings in various wards. IDP and Budget Consultation meetings are held during April and May in order for the community to take part in the development of such documents. The ward Councillors holds monthly meetings with their respective wards to provide feedback on matters that affect them. The municipality has stakeholder's forum that is held on quarterly basis to deal with stakeholders problems at the level of IDP. The municipality has 10 Community Development Workers who assist in community consultations.

Ward Committees

WARD COMMITTEES

The municipality has established ward committees in all six wards. They are monitored through the Office of the Speaker. The Municipality is also providing a stipend of R1000 monthly to all members of ward committees in order to assist them with Transport and phone. The following tables will illustrate performance in terms of community meetings.

WARD	NUMBER OF MEETINGS	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Issue addressed (Yes/No)	feedback given to community
WARD 1	18	12	5	Yes	Yes
WARD 2	3	12	5	Yes	Yes
WARD 3	17	12	5	Yes	Yes
WARD 4	18	12	5	Yes	Yes
WARD 5	18	12	5	Yes	Yes
WARD 6	17	12	5	Yes	Yes

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes

Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No
* Section 26 of Municipal Systems Act 2000	T 2.5.1

COMPONENT D: CORPORATE GOVERNANCE

COMPONENT D: CORPORATE GORVERNANCE

RISK MANAGEMENT

Risk management is a systematic process that is used to identify, evaluate and address risks on a continuous basis by each municipal official within his/her areas of responsibility, before such risks can impact negatively on the service delivery capacity of the municipality.

The management contracted limited risk assessment on the basis of AGSA management letter for 2013/2014. The municipality did not conduct risk assessment in the year under review. There are currently no municipal officials allocated to coordinate risk management activity within the Municipality. However, section 57 managers are required to undertake risk assessment of their business plan.

The appointment of a Risk Officer to the Kgetlengrivier Municipality is imperative, as a properly executed risk management function is one of the most important key assurance providers of any institution. Without it, undue pressure is placed on other assurance providers such as Internal Audit and the Audit Committee.

A post has been created for a Risk and Compliance Officer at the Municipality, which is currently vacant. However, the Qualification Council for Trades and Occupations (QCTO) has recently drafted new occupational profiles for Risk Officers, with very specific requirements for Kgetlengrivier to follow in determining the requirements for this important position.

A formal risk management function does not yet exist at the Municipality, but is currently under consideration. A strategic risk assessment will be conducted, with the support of SALGA and the technical assistance of National Treasury, to develop a strategic Municipal risk profile, to establish accountability and ownership of risk per functional area, and also to inform the 3-year Internal Audit plan.

FRAUD AND ANTI CORRUPTION STRATEGY

The Municipality has an old Fraud and Corruption strategy which needs to be updated. There are no officials dedicated to deal with this. The Municipality does not have its own Audit Committee, but we are currently utilizing the service of Bojanala Platinum District Municipality Audit Committee through shared services. Both Municipalities have not signed Memorandum of Understanding regarding the utilization of Audit Committee.

SUPPLY CHAIN MANAGEMENT

Note: MFMA section 110-119; SCM regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value and minimize the opportunities for fraud and corruption.

Kgetleng Rivier Local Municipality has adopted and approved a supply chain management policy outlining the process and procedures for the acquisition of goods and services by way of quotations or competitive bidding process, often referred to as the Procedure manual for supply chain management.

The Procedure Manual also provides the process followed when appointing members of Bid Committees and provides for the delegation of Authority by the Accounting Officer only under certain circumstances and accountability and reporting is highly emphasized, the oversight role played by Council also form part of the policy.

It outlines on how deviations from normal procurement process, including how the consideration of unsolicited bids must be handled and further provides for ways to combat the abuse of supply chain management.

The declaration of interest is emphasized and awarding to persons whose tax matters are not in order is not permissible.

The supply chain management policy is reviewed when there are policy changes within its environment.

BY LAWS

The municipality has never developed any by law in the year under review.

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report (Year -1)	Yes	
The annual report (Year 0) published/to be published	Yes	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	
All service delivery agreements (Year 0)	No	
All long-term borrowing contracts (Year 0)	Yes	
All supply chain management contracts above a prescribed value (give value) for Year 0	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 0	Yes	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	No	
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		
T 2.10.1		

COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS

Kgetlengrivier local municipality has an active website that was developed within the framework of relevant legislations. The website is managed by the IT and Communication units and is normally updated when there is information and service delivery programmes available. The municipal website is www.kgetlengrivier.gov.za

CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

The municipality is required by law to provide basic services to the community. Section 152 of the constitution of Republic of South Africa clearly provides objects of local government and furthermore the Municipal Service Delivery and Budget Implementation plan respond to the targets set by the National Development Plan.

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

The Municipality is faced with serious challenges when it comes to provision of basic services. Aged infrastructure and bulk services are the main challenges the municipality is facing. The municipality has improved in acquiring technical personnel in the year under review.

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Kgetleng Rivier Local Municipality is a water service Authority, providing water to its households. The farms are sourcing water from boreholes. The municipality main source of water is Koster and Swartruggens Dams. The boreholes are used to provide water in Derby, Mazista and Redirile; otherwise they are also used to augment bulk water supply in Koster and Swartruggens. The municipality does not have proper mechanisms to detect water losses, but the table below will provide estimation water use per sector.

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2013/14	246009	0	19731	3671099	1093754
2014/15	28810	0	20041	5109819	984754

COMMENT ON WATER USE BY SECTOR:

The municipality is losing high volume of unaccountable water. Water loss management needs to be prioritized in the municipality. Shortages of bulk water also need to be given a serious attention in particular Borolelo and Mazista.

Water Service Delivery Levels			
Description	Households		
	2011/13	2013/14	2014/15
	Actual No.	Actual No.	Actual No.
<u>Water: (above min level)</u>	6008	8091	9566
Piped water inside dwelling	2609	3009	3407
Piped water inside yard (but not in dwelling)	1000	508	508
Using public tap (within 200m from dwelling)			
Other water supply (within 200m)	0	0	0
<i>Minimum Service Level and Above sub-total</i>			
<i>Minimum Service Level and Above Percentage</i>			
<u>Water: (below min level)</u>	200	200	200
Using public tap (more than 200m from dwelling)			
Other water supply (more than 200m from dwelling)			
No water supply	0	0	0
<i>Below Minimum Service Level sub-total</i>			
<i>Below Minimum Service Level Percentage</i>	0	0	0
Total number of households*	9617	11808	13681

It is clear the municipality is doing well in addressing access to water within its communities. There is still much more that needs to be done in order to improve water access within the communities of Kgetleng Rivier.

Chapter 3

Water Service Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2012/13		2013/14			2014/15		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<i>Households without minimum water supply</i>	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end)	987	987	1661	1661	2661	3019		
<i>Improve reliability of water supply</i>	Reduce the number of interruptions (Ints) in supply of one hour or more compared to the baseline of Year -1 (xxx interruptions of one hour or more during the yr)	0	0	0	0	0	0	0	0
<i>Improve water conservation</i>	Reduce unaccountable water levels compared to the baseline of Year -1 (xxx kilolitres (KLs) unaccounted for during the yr)	0	0	0	0	0	0	0	0

Chapter 3

Employees: Water Services					
Job Level	Year -1	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1		1	0	1	100%
5		1	1	0	0%
10		14	10	4	29%
16		16	4	11	69%
Total		32	15	16	50%

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The municipality is currently doing fairly well in terms of water provision to the community. The water manager is appointed as well as technicians.

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The combination of water and sanitation is a critical one, through its impact on health and environment; it has considerable implications on economic development. In order to successfully implement the appropriate sanitation measures, there has to be a good water supply. The municipality is currently using two types of sanitation namely, water borne system and VIP.

Sanitation Service Delivery Levels				*Households
Description	2012/13	2013/14	20/14/15	
	Outcome No.	Outcome No.	Outcome No.	
<u>Sanitation/sewerage: (above minimum level)</u>				
Flush toilet (connected to sewerage)	2139	16654	26431	
Flush toilet (with septic tank)	927	5487	6622	
Chemical toilet	121	4000	175	
Pit toilet (ventilated)	1201	1700	3318	
Other toilet provisions (above min.service level)	12545	13453	5393	
<i>Minimum Service Level and Above</i>				
<i>sub-total</i>	12545	13453	26431	
<i>Minimum Service Level and Above</i>				
<i>Percentage</i>	1	1	1	
<u>Sanitation/sewerage: (below minimum level)</u>				
Bucket toilet	445	669	890	
Other toilet provisions (below min.service level)	676	676	676	
No toilet provisions	256	256	129	
<i>Below Minimum Service Level sub-total</i>	0	0	0	
<i>Below Minimum Service Level</i>				
<i>Percentage</i>	0	0	0	
Total households	12545	13453	26431	

EMPLOYEES : WASTE WATER SERVICES			
Job Level	No: Approved Posts	No: Filled Posts	No: Vacant Posts
1	1	0	1
5	1	1	0
10	2	2	0
16	10	19	0
Total	14	22	1

Chapter 3

Sanitation Service Policy Objectives Taken From IDP									
Service Objectives <div>Service Indicators</div> (i)	Outline Service Targets (ii)	2012/13		2013/14			2014/15		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Households without minimum supply	Additional Households provided with minimum Sanitation	987	987	1661	1661	1661	0		
Improve reliability of supply		0	0	0	0	0	0	0	0

Chapter 3

It is clear that there is still so much that needs to be done especially in Koster where the completion of Waste Water Treatment Works will impact positively on service delivery and Growth of the area.

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

The majority of households in the Kgetlengrivier Local Municipality do have access to electricity. The highest occurrence of houses without electricity is concentrated within the rural parts. Overall, it is estimated that more than 70% of all households in Kgetlengrivier do have direct access to electricity. The Municipality distributes electricity in the areas of Koster, Swartruggens, Cedrella and Rodeon and farms, while Eskom is the supply authority in Reagile, Borolelo, Derby and the rural areas. Stats (2011) information of electricity access is presented in terms of the use for cooking, heating and lighting, refer to table below

Electricity Service Delivery Levels			
Description	2012/13	2013/14	Households 2014/15
	Actual No.	Actual No.	Actual No.
<u>Energy: (above minimum level)</u>			
Electricity (at least min.service level)	7360	12867	13091
Electricity - prepaid (min.service level)	5114	6189	10753
<i>Minimum Service Level and Above sub-total</i>	2661	1661	1000
<i>Minimum Service Level and Above Percentage</i>	1	1	1
<u>Energy: (below minimum level)</u>			
Electricity (< min.service level)	3013	1034	200
Electricity - prepaid (< min. service level)	0	0	0
Other energy sources	1029	1789	970
<i>Below Minimum Service Level sub-total</i>	0	0	0
<i>Below Minimum Service Level Percentage</i>	0	0	0

Chapter 3

Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2012/13		2013/14			2014/15		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<i>Provision of minimum supply of electricity</i>	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)	1871	500	2800	1661	1000	1000	1000	

Chapter 3

EMPLOYEES : ELECTRICITY			
Job Level	No: Approved Posts	No: Filled Posts	No: Vacant Posts
1	1	0	1
6	1	0	1
7	5	3	2
16	5	0	5
Total	12	3	9

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

It is clear that 75% of the population within the municipality depends on electricity for lighting; however candles are still high within the municipality.

It is clear that in terms of provision of electricity the municipality is doing well. There is a difference on the above stats as vast improvements have been made since 2011 to date. The electrification of Koster extension 8 [1661] and Borolelo extension 4 [987] has impacted positively in addressing the backlog experienced within the municipality. Currently in 3 Major towns in the municipality there is no backlog.

The remaining challenge is an ageing electrical infrastructure in the municipal supply area. The municipal substation remain a challenge in coping with the newly built Eskom substation, hence there is continuous interruption of electrical services to the community. The municipality is also facing challenges in terms of resource allocation to this function.

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

Currently the draft IWMP is at the draft stage, with the assistance of the Bojanala Platinum District Municipality. There is a need to finalize the document as it will assist the municipality to improve the current status quo within. Advocacy has been the main tool used to sensitize the community about the 3Rs [Reduction, Reuse and Recycle]. There is no formal recycling project at the moment, but there are residents that are reclaiming in our towns. Dump sites.

Solid Waste and illegal dumping

The Municipality has the responsibility to ensure that all waste generated within the municipal area is collected in time to avoid community to dump illegally within the residential area. Clearing of illegal dump is always done internally. The Municipality has managed to secure a license for Swartruggens landfill site and Koster Landfill site is operated illegally, hence it posed a threat to the municipality.

Refuse Removal

According to the National Waste Management Strategy, the national target is that all households including in rural areas must receive the basic service i.e. collection of household waste. The target has not been achieved due to lack of resources; however waste generated by households is collected on weekly basis.

Waste Disposal

There municipality has two Landfill sites in Koster and Swartruggens which are in a bad situation, there is a need to upgrade both landfill sites in order to improve their functionality. Finalization of IWMP will assist in development of more strategies to improve Refuse collection waste sites.

WASTE MANAGEMENT		
<i>Details</i>	<i>Total Number</i>	<i>Actual Number</i>
Number of Households Collected Refuse weekly	8700	8700
Number of Households using Communal Dump	0	0
Number of Households Not collected Refuse	3661	3661

Chapter 3

Waste Management Service Policy Objectives Taken From IDP									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	2012/13		2013/14			2014/15		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Provision of weekly collection service per household (HH)	Proportionate reduction in average weekly collection failures year on year (average number of collection failures each week)		3000		3000		2000		
Future capacity of existing and earmarked (approved use and in council possession) waste disposal sites	The amount of spare capacity available in terms of the number of years capacity available at the current rate of landfill usage		0	0	0	0	0		
Proportion of waste that is recycled	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites.		0	0	0	0	0		
Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.	x% of landfill sites by volume that are being managed in compliance with the Environmental Conservation Act 1989.		3		3		3		

Chapter 3

EMPLOYEES : WASTE MANAGEMENT			
Job Level	No: Approved Posts	No: Filled Posts	No: Vacant Posts
1	1	0	1
10	2	1	1
16	32	28	4
Total	35	29	6

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The municipality still utilizing old tractors to collect refuse hence there is no much progress. The IWMP has not yet been finalized.

3.5 ROADS AND STORMWATER

The municipality status in terms of Roads and storm water infrastructure is characterized as a serious challenge within the municipality; hence a bulk of the municipal infrastructure grant for the past 3 financial year has been used on roads. A total of 527km of the Kgetlengrivier road network consists of gravel roads and a 328km of paved roads. A total of 14km of the total network is classified as poor or very poor. At a strategic level the most important road within the municipality is a portion of the platinum N4 highway between Rustenburg and Zeerust through Swaruggens. The other important road is R309 that is linking Johannesburg and Botswana it passes through Derby and Koster.

Situation of Roads and Storm water within KRLM.

Figure 3.6.

Area	Situation
Koster / Reagile / Cedrella	Koster town has a full storm water drainage infrastructure and in Reagile the drainage infrastructure exists on main access routes only. The worst problems occur in the Northern slopes of Reagile proper and Extension 1. The conditions of the roads are generally acceptable.
Derby/Redirile	The storm water drainage infrastructure only exists in the main access routes.
Swaruggens/Rodeon/Borolelo	There is no storm water drainage infrastructure due to poor conditions of roads in the area. The only road that is in good condition is the N4 freeway crossing the area. The rest of the roads are badly damaged and not in good conditions. Storm water flows from the Borolelo area to the Swaruggens town due to the topography of the area and this cause major damage on the existing roads.

EMPLOYEES : Roads			
Job Level	No: Approved Posts	No: Filled Posts	No: Vacant Posts
1	1	0	1
5	1	1	0
10	2	0	2
16	16	10	6
Total	20	11	9

COMPONENT B: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The Introduction of the Spatial Land Use Management Act provides a clear indication of how municipality should respond to planning issues. The municipality in the previous financial year conducted a Land Audit and developed a Spatial Development framework to guide Development. LED strategy was also reviewed in order to explore opportunities within the municipality.

3.6. PLANNING

INTRODUCTION TO PLANNING

Town Planning and Building inspectorate remains a challenge within the Municipality due to lack of competent officials. The Municipality is currently utilizing the services of MISA to perform these functions. The appointment of a town planner and the building inspector has assisted the municipality.

T 3.10.1

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Enviroment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	0	0	0	21	0	75
Determination made in year of receipt	0	0	0	11	0	75
Determination made in following year	0	0	0	0	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	10	0	0
						<i>T 3.10.2</i>

Chapter 3

Planning Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<i>Determine planning application within a reasonable timescale</i>	Approval or rejection of all build enviroment applications within a x weeks			Determination within 12 weeks	Determination within 12 weeks	Determination within x weeks	Determination within 11 weeks	Determination within 8 weeks	Determina within 8 weeks
	Reduction in planning decisions overturned			5% planning decisions overturned	5% planning decisions overturned	X planning decisions overturned	4% planning decisions overturned	No planning decisions overturned	No plann decision overturned

Chapter 3

EMPLOYEES : PLANNING			
Job Level	No: Approved Posts	No: Filled Posts	No: Vacant Posts
1	1	0	1
5	2	0	2
10	2	0	2
Total	5	0	5

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The municipality has improved a lot on town planning through the assistance of MISA and acquiring town planner and building inspector.

3.7. LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

National Government has set targets for development in the country. In alignment with the set targets and strategy, the province developed the Provincial Growth and Development Strategy (PGDS). The strategy provides a framework for the development of the province over the next 10 years. From the PGDS framework, Bojanala Platinum district Municipality then compiled a district growth and development strategy that refines the goals and targets set in the PGDS. It is aimed at establishing a common vision for growth and development within the district. It sums up the key issues and challenges facing the district and provides an overview of the required strategic responses to these key issues.

Sector	Location Quotient Result	Corresponding Label
Agriculture	4.71	High
Mining	3.99	High
Manufacturing	0.64	Low
Utilities	0.52	Low
Construction	0.64	Low
Trade	1.13	Medium
Transport	0.43	Low
Finance	0.54	Low
Community and personal services	0.64	Low

EMPLOYMENT STATUS	
<i>Details</i>	<i>Number</i>
Employed	14997
Unemployed	3862
Discouraged work-seeker	1110
Other not economically active	13502
Age less than 15 years	-
Not applicable	17578
Total	51049

Jobs Creation in 2014/2015	
<i>Details</i>	<i>Number</i>
EPWP	290
LED Initiatives	0
Private Initiatives	40
Infrastructure projects initiatives	328
Total	658

EMPLOYEES : LOCAL ECONOMIC DEVELOPMENT			
Job Level	No: Approved Posts	No: Filled Posts	No: Vacant Posts
1	1	0	1
5	1	1	0
Total	2	1	1

COMMENT ON LOCAL JOB OPPORTUNITIES:

In terms of job creation the municipality has been depending of EPWP and infrastructure projects.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

As part of social cohesion the municipality is providing certain services to the community in order to uplift and ensure safety of the community.

3.8. LIBRARIES; COMMUNITY FACILITIES;

INTRODUCTION TO LIBRARIES; COMMUNITY FACILITIES

The municipality has 3 libraries, three sports facilities and 6 community Halls.

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

Area	Library	Sports Facilities	Community Hall
Borolelo	0	1	1
Swartruggens	1	0	1
Mazista	0	1	0
Redirile	0	0	0
Derby	0	0	1
Reagile	1	1	1
Koster	1	1	2
Ratsegae	0	0	0
Total	3	3	6

Chapter 3

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2012/13		2013/14			2014/15		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Access to Library Services									
	Total Number of Community access to library services	200	385	150	500	285	1978	2006	3098

Chapter 3

EMPLOYEES : LIBRARY AND COMMUNITY FACILITIES			
Job Level	No: Approved Posts	No: Filled Posts	No: Vacant Posts
4	1	1	0
7	3	1	2
8	3	2	1
10	3	1	2
Total	10	5	5

COMMENT ON THE PERFORMANCE OF LIBRARIES; COMMUNITY FACILITIES;

It is very clear that there is a problem with access to these services. The municipality has not set targets with regard to access to community halls.

T 3.12.7

3.9. PARKS AND CEMETRIES

The municipality has one park and 6 cemeteries. The municipality did not develop targets and indicators for the year under review.

EMPLOYEES : Parks and Cemeteries			
Job Level	No: Approved Posts	No: Filled Posts	No: Vacant Posts
1	1	0	1
10	2	2	0
16	27	23	4
Total	30	25	5

COMPONENT D: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

The municipality is providing Licensing and public safety [traffic] to the community. There are 2 Licensing and Two Vehicle testing stations within the municipal area. The Traffic unit of the municipality is working in all municipal areas.

3.10. Traffic and licensing

Learners' License

Number of Applications	3696		
Absent	102		
Differed	0		
	Total	Passed	Failed
Number of Written Test	3594	3102	492
Number of Oral Test	0	0	0
Total	3594	3102	292

Driver's License

Detail	Number
Applications	392
Passed	244
Failed	148
Absent	0

Renewals	2490
PRDP'S	798
Conversion	0
Total	3288

EMPLOYEES : Licensing and Public safety			
Job Level	No: Approved Posts	No: Filled Posts	No: Vacant Posts
1	1	0	1
2A	1	1	0
2B	4	2	2
5	10	4	6
8	14	2	12
Total	30	9	21

The municipality has prioritized traffic as one of the services that generate funds in the financial year 2014/15.

COMPONENT E: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

The objective of this Key Performance area is to entrench the culture of good governance and promote participatory democracy in the affairs of the municipality. The municipality has undergone some serious planning challenges straddling two financial years; the filling of critical vacancies such as the Municipal Manager is leading to a seamless handover of the functions. Kgetlengrivier local municipality has considered the MEC comments based on the 13/14 Assessment and has been addressed those issues identified.

T 3.24

3.11. EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

Kgetlengrivier local municipality is a category B municipality [Plenary] and has 12 Councilors of which the Mayor is the only one full time. The assessment of the first term of local government in the area of governance and community participation indicates that municipalities did not perform well with regards to communication with communities, functioning of ward committees and the management of the interface between the administrative and political domain. There has been an improvement in the second term.

In pursuit of the Local Government 2006-2011 Strategic Priorities, Kgetlengrivier Local Municipality will allocate resources to increase momentum towards involving communities in its affairs. In this regard the municipality will endeavor to achieve:

Functional community participation mechanisms and ward committees;
Effective Community Based Planning System;
Establish feedback mechanisms in order to ensure responsiveness to communities;
Continuous and special attention to previously disadvantaged communities;
Equal and convenient access to municipal services by the public;
Effective and efficient intergovernmental relations;

Governance Structures

Internal Audit Function

Like other municipalities, Kgetlengrivier Local municipality has its own internal audit unit, which must advise the Accounting Officer and report to the Audit Committee on matters relating to a range of financial issues and performance management. There are some several challenges facing the unit:

Communities want more assurance around stewardship and accountability in the municipality, to effectively do this is still a challenge.

Lack of Memorandum of Understanding to utilize Audit Committee

None compliance with MFMA and other reporting.

Lack of capacity within the unit.

Audit Committee

The municipality has no Audit Committee. There is an agreement with the district to utilize the service of its Audit Committee. The following is status of Annual Reports;

2006-07 Annual Report was finalized, submitted to Council and National Treasury

2007-08 Annual Report was finalized, submitted to Council and National Treasury

2008-09 Annual Report was finalized, submitted to Council and National Treasury

2009-10 Annual Report was finalized, submitted to Council and National Treasury

2010-2011 Annual Report was finalized, submitted to Council and National Treasury

2011-2012 Annual Report was finalized, submitted to Council and National Treasury

2012-2013 Annual Report was finalized, submitted to Council and National Treasury

2013-2014 Annual Report not finalized

Community Participations a key stone for the municipal operations.

EMPLOYEES : Good Governance and Public Participation			
Job Level	No: Approved Posts	No: Filled Posts	No: Vacant Posts
1	3	1	2
3	2	1	1
4	1	1	0
5	10	3	7
8	5	1	4
Total	21	7	14

3.12 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

T 3.25.1

The importance of this Key Performance Area is to improve overall financial management in the municipality by developing and implementing prudent financial management policies, procedure and systems. The intended outcome is to see the municipality practicing good financial management and being accountable on usage of the public funds

DEBT RECOVERY			
Details	Actual Billed	Actual Collected	Variance
Property Rates	R4 367 508.83	R3 045 057.56	R1 322 451.27
Water	R5 637 352.00	R2 140 093.91	R3 227 258.09
Sanitation	R2 385 001.12	R1 365 249.10	R1 019 752.02
Electricity	R27 383 962.53	R27 345 851.70	R 38 110.83
Refuse	R1 187 960.97	R541 790.55	R646 170.42
Interest	R6 688 744.31	R619 791.15	R6 068 953.16
Unallocated	R2 105 141.72	R2 444 146.34	R-339 004.62
Sundries	R28 324.21	R377 074.71	R-348 750.52
Total	R49 783 995. 69	R37 879 055.04	R11 904 940.65

Municipality is doing fairly well in terms of collection. There is a need to expand revenue base.

Chapter 3

Financial Service Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2012/13		2013/14			2014/15		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<i>Increase in speed of payment of tariffs, tax demands, invoices</i>	No more than 20% of creditors raised (in Rand value) during the year outstanding (o/s) at year end	No more than 10% of current yr creditors o/s at yr end	No more than 10% of current yr creditors o/s at yr end	No more than 20% of current yr creditors o/s at yr end	No more than 20% of current yr creditors o/s at yr end	No more than 20% of current yr creditors o/s at yr end	No more than 20% of current yr creditors o/s at yr end	No more than 25% of current yr creditors o/s at yr end	No more than 25% of current yr creditors o/s at yr end
<i>Reducing the number of invoices raised by increasing advance payment for services rendered (A project requiring participation by all departments but let by the central finance department)</i>	100% reduction in number of invoices raised over the previous year's target	100% reduction in invoices raised; target limit of invoices	100% reduction in invoices raised; target limit of invoices	100% reduction in invoices raised; target limit of invoices	100% reduction in invoices raised; target limit of invoices	100% reduction in invoices raised; target limit of invoices	100% reduction in invoices raised; target limit of invoices	100% reduction in invoices raised; target limit of invoices	100% reduction in invoices raised; target limit of invoices
<i>Improving speed of legal measures to recover revenues</i>	Commence legal proceedings for recovery of revenues within 4 weeks of the due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	100% of legal proceeding commenced within 4 weeks of due date	100% of legal proceeding commenced within 4 weeks of due date	100% of legal proceeding commenced within 4 weeks of due date

Chapter 3

EMPLOYEES : Financial Services			
Job Level	No: Approved Posts	No: Filled Posts	No: Vacant Posts
1	4	2	2
2	1	1	0
3	1	1	0
5	10	6	4
8	31	15	16
Total	46	25	22

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

The municipality is doing fairly well even though we are depended on the grants. Provision of Basic services has been affected by the withholding of certain portion of equitable share.

3.13 HUMAN RESOURCE SERVICES [ICT and records management]

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Municipal Human Resource is a vital unit within, as it provides necessary support to the directorates.

Human Resource Services		
<i>Details</i>	<i>Number</i>	<i>Resolved</i>
Number of Suspensions	0	0
Number of Disciplinary Cases	0	0
Number of Appointments		
Number of Dismissals	0	0
Number of Resignations	1	1

Chapter 3

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2012/13		2013/14			2014/15		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Legal Compliance									
	adherence to Legislation	100% adherence to policies and legislation	100% adherence to policies and legislation	100% adherence to policies and legislation	100% adherence to policies and legislation	100% adherence to policies and legislation	100% adherence to policies and legislation	100% adherence to policies and legislation	100% adherence to policies and legislation
	Reduction of Disciplinary cases	100% reduction of disciplinary cases	100% reduction of disciplinary cases	100% reduction of disciplinary cases	100% reduction of disciplinary cases	100% reduction of disciplinary cases	100% reduction of disciplinary cases	100% reduction of disciplinary cases	100% reduction of disciplinary cases

Chapter 3

EMPLOYEES : Cooperate Services			
Job Level	No: Approved Posts	No: Filled Posts	No: Vacant Posts
1	4	1	3
3	1	1	0
5	4	3	1
8	4	2	2
10	4	4	0
16	20	12	8
Total	37	23	14

Chapter 3

3.14. PERFORMANCE INFORMATION

3.14.1. BASIC SERVICE DELIVERY

KPA	BASIC SERVICE DELIVERY												
OUTCOME 9	OUTPUT 2	Improving access to basic services											
	OUTPUT 4	Actions supportive of the human settlement outcome											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
1. ACCESS TO WATER													
Provision of clean water to communities	Construction of Storage Tanks / Reservoir in Swartruggens	15 storage tanks	Number of storage tanks /reservoirs completed	2.5ML Reservoir in Swartruggens	BPD M	Finalisation of Business Plan and Planning	Design and Tender procedures	Construction of Storage Tank	Completion of storage tank	1 x Steel reservoir to replace the leaking procured and pending installation		Delays in payment of service provider for delivery and installation	Follow up with Service provider to install steel reservoir as soon as payment is affected.
	Development of Water Master Plan	Draft WSDP in place	Approved Water Master Plan by Target Date	Approved Water Master Plan by June 2015	OPEX				Approved Water Master Plan by June 2015	No funding for the development of Water master Plan		No funding for the development of Water master Plan	Planned for 2015/16 Financial year

Chapter 3

KPA	BASIC SERVICE DELIVERY												
OUTCOME 9	OUTPUT 2	Improving access to basic services											
	OUTPUT 4	Actions supportive of the human settlement outcome											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
1. ACCESS TO WATER													
	Improve ment of blue drop status	None Compliance	% improve ment on blue drop status by Target Date	100% Impro vement of blue drop status	OPE X	Appointm ent of Water Manager	Capacit ation of Water staff	50% Impro vement of blue drop status	50% Impro vement of blue drop status	Improvem ent of blue drop at average 50%. Assessme nt report expected in Septembe r 2015		None	Improvem ent and determina tion of rightfully status in water quality as required by blue drop requireme nt after assessme nt has been conducted .
	Installati on of house connecti	10% Backlog s	% Reductio n in water	10% Reduc tion of	BPD M	2% of Installatio n of house connectio	2% of Installat ion of house	2% of Install ation of	4% of Install ation of	None		None	Planned for 2015/16 financial

Chapter 3

KPA	BASIC SERVICE DELIVERY												
OUTCOME 9	OUTPUT 2	Improving access to basic services											
	OUTPUT 4	Actions supportive of the human settlement outcome											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
1. ACCESS TO WATER													
	ons		backlog by target Date.	Water Backlogs		ns in Borolelo ext. 4	connections in Borolelo ext. 4	house connections in Borolelo ext. 4	house connections in Borolelo ext. 4				year.
	Augmentation of bulk water supply.	2 Dams	Developed Business plans to augment bulk water supply by target date.	Approved business plans	OPEX	Development of Business Plans	Submission of Business Plans			None		None	None

Chapter 3

KPA	BASIC SERVICE DELIVERY												
OUTCOME 9	OUTPUT 2	Improving access to basic services											
	OUTPUT 4	Actions supportive of the human settlement outcome											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
1. ACCESS TO WATER													
	Provision of clean Water Treatment works	1 Treatment work in place	Regular cleaning of Swartrugens Treatment works	Clean Treatment works	Open	Development of maintenance plan and deploy Letsema Projects to clean	Deployment of Letsema Project	Deployment of Letsema Project	Deployment of Letsema Project	None		None	Planned for 2015/16

Chapter 3

KPA	BASIC SERVICE DELIVERY												
OUTCOME 9	OUTPUT 2	Improving access to basic services											
	OUTPUT 4	Actions supportive of the human settlement outcome											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
ACCESS TO SANITATION													
Provision of proper sanitation communities	Development Of Sanitation Master Plan.	Draft WSDP in place	Approved Sanitation Master plan by Target Date	Approved Sanitation Master plan by June 2015					Approved Sanitation Master Plan	None		Lack of funds for the development of Sanitation Master Plan	Planned for 2015/16
	Refurbishment of Koster Oxidation Ponds	1 Oxidation Ponds	Oxidation Ponds fully refurbished and dredged by target date.	Refurbishing of Ponds – Phase 2 by June 2015	R 4.0M from ACIP	Planning and Procurement Processes	Cleaning of the Ponds and erection of a boundary fence	Construction of new inlet works	Completion of Phase 2	90% completion of Phase 2 of the oxidation ponds.		Finalisation of application of license and training of operator take long to complete	Finalisation of the remainder works by September 2015
	Finalisation of the New Koster Waste Water Treatment Works funding process	2 Treatment works	Completion of phase 1 of New Koster Waste Water Treatment Works.	Completion of New Koster Waste Water Treatment	RBIG	Procurement Process	Construction of Sewer Treatment Works	Construction of Sewer Treatment Works	Construction of Sewer Treatment Works	Planning and Designs completed by consultants. Finalisation of the purchase of		Delays in finalisation of Land purchase issue.	Finalisation of the purchase of land for WWTP construction .

Chapter 3

KPA	BASIC SERVICE DELIVERY												
OUTCOME 9	OUTPUT 2	Improving access to basic services											
	OUTPUT 4	Actions supportive of the human settlement outcome											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
ACCESS TO SANITATION													
	(RBIG)			Works						the land by DWS			
	Installations of Sewer Connections	75% of Sewer Connections	% reduction in sanitation Backlogs		BPD M	2% Installation of sewer connections in Borolelo ext. 4 and Reagile EXT 8	2% Installation of sewer connections in Borolelo ext. 4 and Reagile EXT 8	2% Installation of sewer connections in Borolelo ext. 4 and Reagile EXT 8	4% Installation of sewer connections in Borolelo ext. 4 and Reagile EXT 8	Completed sewer network in Ext 8 Reagile			Liaise with the implementing agent (BPDM) for the finalisation of ext 4 Borolelo
	Improvement of Green drop status	None Compliance	% improvement on Green drop status by Target Date	100% Improvement of Green drop status		Appointment of Sanitation Manager	Capacitation of Sanitation staff	50% Improvement of Green drop status	50% Improvement of Green drop status	Improvement of green drop at average 50%. Assessment report		None	Improvement and determination of rightfully status in water quality as required

Chapter 3

KPA	BASIC SERVICE DELIVERY												
OUTCOME 9	OUTPUT 2	Improving access to basic services											
	OUTPUT 4	Actions supportive of the human settlement outcome											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
ACCESS TO SANITATION													
										expected in September 2015			by green drop requirement after assessment has been conducted.
	Improve capacity to reduce Sewer Leakages (Blocks)	High volume of sewer leakages	Internal capacity build through external services	Reduction of sewer leakages	Opex	Develop MOU with Moedi Wa batho and Magalies water.	Provision of training to internal staff.			None		None	None

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KPA	BASIC SERVICE DELIVERY												
OUTCOME 9	OUTPUT 2	Improving access to basic services											
	OUTPUT 4	Actions supportive of the human settlement outcome											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
ACCESS TO ROADS AND STORMWATER													
Provision of paved Roads and Improved Access to communities	To provide proper accessibility in terms of roads and storm water	22Km of unpaved internal roads	Kilometres of Municipal internal Roads paved by Target Date	6 Kilometres of paved roads By June 2015	R21.0M	Procurement processes for Contractors	3 Km of paved roads constructed in Redirile; Reagile and Borolelo Internal Roads	3 Km of paved roads constructed in Redirile ; Reagile and Borolelo Internal Roads	Completion of Projects	Construction of roads in Redirile and Reagile is currently of 95% complete		Delays in implementation of projects	Acceleration of the completion of projects by August 2015

Chapter 3

Construction of speed humps in the Municipal Area	18 Speed Humps	Number of Speed Hump Completed by Target Dates	20 Speed Humps By June 2015	R 0.36 M	Procurement Processes and commencement of the works	10 speed Humps constructed in Reagile, Borolelo and Redirile Townships	10 speed Humps constructed in Reagile, Borolelo and Redirile Townships	Completion of Project	None		Lack of funds for construction of Humps	Planned for 2015/16 FY
Patching of potholes on all internal Roads	Undertimable	Number of streets repaired	10 streets to be repaired	R1.5 M	Procurement Processes	2 streets patched potholes and repairing of edge breaks	2 streets patched potholes and repairing of edge breaks		Patching of streets in Koster and Reagile on progress		Lack of sufficient resources to perform the works.	Procurement of necessary resources (Tools and Labour) to perform the works
Re-gravelling and Blading of internal Roads	22Km of unpaved / Gravel roads	KM of roads bladed and re-graveled	10km of roads to be re-graveled	R 0.5 M	Fixing of Municipal Grader and Drawing up of Programme	Re-gravelling of roads – 2.5km	Re-gravelling of roads – 2.5km		Limited regravelling of roads due to lack of resource. Timeous plant breakdown		Lack of resources	To be implemented in the 2015/16 FY

Chapter 3

										owns incurred.			
Cleaning and maintaining of storm water channels	10Kms of Storm water drains / channels	Kilometres of drains / channels cleaned	5Kms of drains / channels to be cleaned		Cleaning of channels / drains – 1km	Cleaning of channels / drains – 1km	Cleaning of channels / drains – 1km			Slow pace of delivery of works aligned with the cleaning of channels		Lack of resources to compact the works	Planned for 2015/16
Rehabilitation of dilapidated streets in Borolelo Township (Extensions 1, 2 & 3)	None	Kilometres of roads rehabilitated	2kms of streets to be rehabilitated	R 3.0 M	Measuring and Procurement procedures	1Km of roads rehabilitated	1Km of roads rehabilitated			None		Lack of funds	Planned for 2015/16
Development and approval of roads & storm water master plan	None	Approved roads and storm water Master Plan by target	Approved roads and storm water Master Plan	R 0.8 M	Appointment of Service Providers	Data Collection and development of Master Plan	Data Collection and development of Master Plan			None		Lack of funds for the development of Roads and Stormwater Master Plan	Planned for 2015/16

Chapter 3

			date.	by June 2015										
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KPA	BASIC SERVICE DELIVERY												
OUTCOME 9	OUTPUT 2	Improving access to basic services											
	OUTPUT 4	Actions supportive of the human settlement outcome											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
1. ACCESS TO ELECTRICITY AND LIGHTING													
Provision of Electricity and Street Lighting to community	Converting of conventional electrical meters to prepaid electrical meters	1600 households on conventional metering	Number of conventional meters replaced by prepaid meters.	500 Households to be replaced by end of financial year	R1.5 M	Procurement processes	Rolling out of the programme – 100 households	Rolling out of the programme – 200 households	Rolling out of the programme – 200 households	None		Lack of funds	Planned for 2015/16
	On-going Maintenance of Existing infrastructure (Lights, Mini Subs, Transformers etc.	Existing Infrastructure	100% of Street Lights, High Mast Lights and Mini Subs maintained.	100% of Street Lights, High Mast Lights and Mini Subs maintained	Opex	100% of Street Lights, High Mast Lights and Mini Subs maintained	100% of Street Lights, High Mast Lights and Mini Subs maintained	100% of Street Lights, High Mast Lights and Mini Subs maintained	100% of Street Lights, High Mast Lights and Mini Subs maintained	20% of street lights and High Mast lights maintained		Lack of resources	On-going on 2015/16

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KPA	BASIC SERVICE DELIVERY												
OUTCOME 9	OUTPUT 2	Improving access to basic services											
	OUTPUT 4	Actions supportive of the human settlement outcome											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
1. ACCESS TO ELECTRICITY AND LIGHTING													
	Development of Electrification Master Plan	None	Approved Electrification Master Plan by target Date	Approved Electrification Master Plan by June 2015	OPEX				Approved Electrification Master Plan by June 2015	None		Lack of funds for the development of Electrical Master Plan	Planned for 2015/16

Chapter 3

KPA	BASIC SERVICE DELIVERY												
OUTCOME 9	OUTPUT 2	Improving access to basic services											
	OUTPUT 4	Actions supportive of the human settlement outcome											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
ACCESS TO REFUSE AND SOLID WASTE													
Providing of safe and healthy environment	Refuse collection	6000 Households	Number of Households with basic waste collection	14 000 Households with basic waste collection	OPEX	14 000 Households with basic waste collection	14 000 Households with basic waste collection	14 000 Households with basic waste collection	14 000 Households with basic waste collection	Not performed		Lack of reliable fleet.	.Repairs and purchase of reliable fleet.
	Development of Integrated Waste Management Plan	None	Approved Integrated Waste Management Plan by target date.	Approved Integrated Waste Management Plan By June 2015	OPEX	Procurement of Service Provider	Development of Integrated Waste Management Plan	Development of Integrated Waste Management Plan	Approval of Integrated Waste Management Plan	Not achieved		Service provider not appointed	Appointment of service provider

Chapter 3

KPA	BASIC SERVICE DELIVERY													
OUTCOME 9	OUTPUT 2	Improving access to basic services												
	OUTPUT 4	Actions supportive of the human settlement outcome												
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT				
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure	
ACCESS TO AMENITIES														
Providing of safe and healthy amenities	Maintenance of community halls	6 Community Halls in place	Number of Households with access to community halls developed and maintained by target date.	6 community halls Maintained	OPEX	Maintenance of 2 community halls	Maintenance of 2 community halls	Maintenance of 1 community halls	Maintenance of 1 community halls	Performed Continuous maintenance of halls	Performed Continuous maintenance of halls	Performed Continuous maintenance of halls	Performed Continuous maintenance of halls	
	Maintenance of Sports Facilities	5 Sports Facilities in place	Number of sports facilities maintained by target date.	2 of sports facilities maintained	OPEX		1 of sports facilities maintained		1 of sports facilities maintained	Not performed	Not performed	Not performed	Not performed	
	Maintenance	1 Park in	Percentage of	100% municipal	OPEX	100% municipal	100% municipal	100% municipal	100% municipal	Achieved, the municipal park	Achieved, the	Achieved, the municipal park in	Achieved, the municipal park	

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KPA	BASIC SERVICE DELIVERY												
OUTCOME 9	OUTPUT 2	Improving access to basic services											
	OUTPUT 4	Actions supportive of the human settlement outcome											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
ACCESS TO AMENITIES													
	of Parks	place	municipal park maintained by target date	pal park maintained		park maintained	park maintained	pal park maintained	pal park maintained	in Koster is only maintained as part of daily duties.	municipal park in Koster is only maintained as part of daily duties.	Koster is only maintained as part of daily duties.	in Koster is only maintained as part of daily duties.
	Development and maintenance of cemeteries	7 cemeteries in place	Number of Cemeteries developed by target date.	1 Cemetery developed by March 2015	OPEX			1 Cemetery developed by March 2015		Service provider appointed by Bojanala to do feasibility study.	Service provider appointed by Bojanala to do feasibility study.	Service provider appointed by Bojanala to do feasibility study.	Service provider appointed by Bojanala to do feasibility study.

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KPA	BASIC SERVICE DELIVERY												
OUTCOME 9	OUTPUT 2	Improving access to basic services											
	OUTPUT 4	Actions supportive of the human settlement outcome											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
ACCESS TO AMENITIES													
	Cleaning of cemeteries	7 cemeteries in place	Number of cemeteries cleaned	7 Cemeteries cleaned	OPEX	Deployment of Letsema in all cemeteries	Cleaning of All Cemeteries	Cleaning of All Cemeteries	Cleaning of All Cemeteries	Achieved	Achieved	Achieved	Achieved
	Management of Library programmes	36 Library Programmes conducted	Number of Library programmes conducted by target date	36 Library programmes per quarter	OPEX	9 library programmes conducted	9 library programmes conducted	9 library programmes conducted	9 library programmes conducted	Achieved	Achieved	Achieved	Achieved
	Implementation of CWP	None	Effective implementation of Community Works Programme	Effective implementation of Community Works Programme		Conduct Recruitment of CWP	Placement of Street Coordinators and implementation	Implementation of CWP	Implementation of CWP	achieved	achieved	achieved	achieved

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KPA	BASIC SERVICE DELIVERY												
OUTCOME 9	OUTPUT 2	Improving access to basic services											
	OUTPUT 4	Actions supportive of the human settlement outcome											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
ACCESS TO AMENITIES													
	Upgrading of Reagile Beer Hall	Beer hall in place	effective utilization of Reagile Beer hall Renovation of Reagile Beer hall	Renovation of Reagile Beer hall		Involvement of SHIP	Renovation of Reagile Beer Hall			Continuous upgrading of Reagile beer hall as per agreement with SHIB	Continuous upgrading of Reagile beer hall as per agreement with SHIB	Continuous upgrading of Reagile beer hall as per agreement with SHIB	Continuous upgrading of Reagile beer hall as per agreement with SHIB

Chapter 3

3.14.2. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

KPA	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Human Resource Development & Management	Alignment of Organizational Structure to IDP	Existing organisational structure aligned to IDP and budget	Reviewed Organisational Structure by target date.	2015/2016 Reviewed Organisational Structure by end of May 2015	OPEX				Update organizational structure & submit to Council for approval	Achieved, Staff Establishment 2014-15 served before and approved by Council on 28 May 2015			
	Appointment of staff in vacant posts.	2013/14 Organizational Structure	Number of posts filled as per the approved funded structure by June 2015	10 Posts to be filled by June 2015			5 Posts to be filled		5 Posts to be filled	Achieved, 6 posts filled in quarter 4. In total 23 posts filled for 2014-15 FY.			

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KPA	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
	Appointment of staff in filling critical posts	4 Critical Posts filled	Number of critical posts filled by June 2015	2 Critical Posts to be filled by June 2015			2 Critical Posts to be filled			Achieved, Town Planner assumed duties on 01/04/2015. In total 2 critical posts filled for 2014-15 FY.			
	Management of staff attraction & turnover	Staff Attraction & Retention Strategy not in place	Developed Employee Attraction & Retention Strategy	Approved Employee Attraction & Retention Strategy in place by June 2015	OPEX	Literature review & Information gathering	Developed an Employee Attraction & Retention Strategy	Submit to Council for approval	Create awareness & implementation	Not achieved		Resignation of HR Manager stalled the process	Finalize the appointment of new HR Manager to conclude the process
	Management & administration of	No guiding document	Mentoring & coaching guiding document	Mentoring & coaching	OPEX	Solicit inputs to enhance draft document	Finalization of Mentoring &	Submit to Council	Create awareness &	Achieved, The framework document			

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KPA MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT													
OUTCOME 9	OUTPUT 1		Implement a differentiated approach to municipal financing, planning and support										
	OUTPUT 6		Administrative and financial capability										
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
	Learnerships & Internships		developed	guiding document developed by March 2014			coaching guiding framework	for approval	implementation	was adopted by Council on 27 Aug. 2014. Memo to all staff on coordination of learnerships & internships was issued on 06 February 2015			
	4 Finance Interns Learnership programme with Vuselela FET College	Number of learners & interns appointed by June 2015	10 Learners and 5 interns appointed by June 2015		Engage key & relevant stakeholders to secure Learnership & internship programmes	Appointment of learners & interns	Programme roll-out	Programme roll-out	Achieved, 2 Finance Interns; 6 MISA Interns and 80 Learners appointed for 2014-15 FY				
	Review of Employment Equity	Submitted Electronic version of EEP	Submitted of EEP to Dept.	Submission to Dept.				Submission to Dept. of		Achieved, EE Report submitted electronically			

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KPA		MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT											
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
		Plan	2013/14	of Labour by January 2015	of Labour by January 2015			Labour by January 2015		y to DoL and acknowledgment of receipt confirmed on 14 January 2015			
		Compliance with Employment Equity Plan.	Not Complying	Number of employees employed in accordance with the Employment Equity Plan Targets.	12 Employees employed according to the Employment Equity Plan Targets			6 Employees employed according to the Employment Equity Plan Targets		Of the 23 appointments confirmed, 8 are African Females, 1 White Male & 14 African Males			

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KPA	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
	Staff Morale conducive to excellence in performance	None	Number of Employee Satisfaction survey Conducted	4 Employee Satisfaction survey Conducted		1 Employee Satisfaction survey Conducted	1 Employee Satisfaction survey Conducted	1 Employee Satisfaction survey Conducted		Not achieved. Preliminary exercises of taking, assessing and clearing staff grievances unfolding.		It was premature to conduct such an exercise in the 2014-15 FY	Exercise to be conducted in the new financial year, after adequate attention has been given to the staff complaints and grievances.
	Staff Morale conducive to excellence in performance	1 Team Building Exercise Conducted	Number of Team building exercises conducted	1 Team building exercises conducted.				1 Team building exercise conducted		Not achieved, Team building exercise planned could not materialize		Due to austerity measures instituted by Council	Exercise to be conducted in the new financial year when the financial situation of the municipality has improved
	Functionality of LLF	LLF in existence, not fully functional	Number of Local Labour Forum reports Submitted To Council By June	4 Quarterly Reports		1 Quarterly Report	1 Quarterly Report	1 Quarterly Report		Meeting scheduled for 17 June 2015 failed to sit.		The commencement of the meeting was stalled by SAMWU	Training of LLF members be conducted in the new FY to clear roles & responsibilities. Meetings to sit as per

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KPA MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT													
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
			2015										approved schedule.
	Implementation of a wellness programme	Employee wellness programme in place	Developed plans for wellness Sub-programmes for implementations	Wellness plan developed.	OPEX	Wellness plan developed				Upon upliftment of suspensions 3 employees underwent a re-integration programme			
	Implementation & management of disciplinary matters	Policy & Collective Agreement in place	100% adherence to collective agreements	Completion of reported disciplinary & grievance cases	OPEX	Training & Awareness	Address & finalize reported disciplinary & grievance cases	Address & finalize reported disciplinary & grievance cases		Punitive & remedial sanctions instituted against 10 employees for misconduct			

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KPA MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT													
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Legislative Compliance	Proper management of overtime	Pre-approval system in place	100% Adherence to BCEA regarding overtime payment.	Control environment of overtime by end of September 2014		Strengthen the culture and application of a pre-approval system of overtime to staff	Enforcement & Implementation of system	Enforcement & Implementation of system	Enforcement & Implementation of system	Controls in place to mitigate and manage overtime			
	Proper management & administration of leave	Leave Policy in place	Developed a management system of leave form.	Control environment of leave by end of September 2014		Inculcate the culture and application of a form-based leave system to staff	Enforcement & Implementation of system	Enforcement & Implementation of system	Enforcement & Implementation of system	Controls in place to mitigate and manage leave			
	Adherence to safety	OHS Audit	% implement	100 % implement		100 % implementation	100 % implement	100 % implement	100 % implement	Respective engagements			

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KPA	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
	measures.	Outcome Report	ation of Occupational Health Safety policy by June 2015	entation of Occupational Health Safety policy by June 2015		ion of Occupational Health Safety policy	ntation of Occupational Health Safety policy	entation of Occupational Health Safety policy	entation of Occupational Health Safety policy	with DoL on 08/06/2015 and 18/06/2015 with regard to OHS. Issuing in-suits (PPE) for staff waste water treatment & water treatment plants			
	Functionality of OHS Committee	OHS Committee in existence	Report on OHS Submitted To LLF By June 2015	4 Quarterly Reports		1 Quarterly Report	1 Quarterly Report	1 Quarterly Report	1 Quarterly Report	11 HS Reps duly elected and appointed on 01 March 2015. On 14 May 2015, an OHS Committee comprising of 5 members was elected			

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KPA	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
	Management of conditions of service/employment in accordance to legislation	Collective Agreements in place	TASK Job Evaluation process completed	All staff with proper job profiles & post levels by end of September 2014	Opex	Conduct & complete the TASK JE process	Implement the findings & recommendations of the TASK JE	Implement the findings & recommendations of the TASK JE	Implement the findings & recommendations of the TASK JE	Update report on TASK JE project served before Council on 28 May 2015			
	Review of HR policies to ensure compliance with all legislation and collective agreements	Policies and collective agreements in place	Percentage of Policies to legislation and collective agreements	100% of Policies to legislation and collective agreement	OPEX	Review only non-aligned & non-compliant policies	Submit to Council for approval	Training & awareness and implementation	Training & awareness and implementation	Engaged SALGA on 22 May 2015 to solicit assistance, a SALGA Handbook on HR Policy was issued to assist the review process			

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KPA MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT													
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Capacitation of Officials and Councilors	Capacitation of Officials	6 Officials Capacitated	Number of officials capacitated in terms of the Workplace Skills Plan by April 2015.	15 officials capacitated in terms of the Workplace Skills Plan April 2015		5 Officials capacitated	5 Officials capacitated	5 Officials capacitated		In total 19 officials were capacitated for 2014-15 FY			
	Capacitation of Councilors	None	Number of Councilors capacitated in terms of the Workplace Skills Plan by April 2015	12 Councilors capacitated in terms of the Workplace skills plan by April 2015		Identification of Skills needs	Application of Skills Development interventions	12 Councilors attend classes	12 Councilors capacitated	9 Councilors enrolled, but only 5 presently attending classes in UNW Potch Campus. 3 Councilors declined enrolment and 4 awaiting			

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KPA	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
										next in-take.			
	Functionality of Training Committee.	Training Committee in existence	Report on Skills Development submitted To LLF by June 2015	4 Report on Skills Development submitted To LLF By June 2015		1 Report on SDP/ATP submitted to LLF	1 Report on SDP/ATP submitted to LLF	1 Report on SDP/ATP submitted to LLF	1 Report on SDP/ATP submitted to LLF	Meeting of Training Committee sat on 23 April 2015 to finalize the WSP 2015-16			
	Submission of WSP	ATR/WSP 2014/15 submitted to LGSETA	Report on the Workplace Skills Plan submitted to LGSETA.	Report on the Workplace Skills Plan submitted to LGSETA. By April 2015		Roll-out of programmes	Roll-out of programmes	Conduct Skills audit	Submission of WSP document to LGSETA by 30 April 2015	Achieved, Report on the Workplace Skills Plan submitted to LGSETA by 30 April 2015			

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KPA	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Maintenance of data integrity and storage	Integrity of all administration and record keeping	Draft Records Management Plan in place	Developed of an effective records management system	Functional records management system by June 2015	R200 K - DLGTA	Procurement of Electronic Document Management System	Migration of documents	Implementation & Monitoring	Implementation & Monitoring	Upon receipt of the comprehensive records management inspection report from Provincial Archives, an action plan was developed and submitted to address the findings. Item served before Council on 28 May 2015.			
	Development of an IT Master Plan	ICT Due Diligence & Risk Assessment Report in place	Effective IT Master Plan and Security Protocol developed	Effective IT Master Plan by June 2015	OPEX	Engage key stakeholders for input	Appoint Service Provider	Develop IT Master Plan & Submit to	Awareness & Implementation	In June 2015 through a S32 process, KRLM requested and secured the services of Big			

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KPA		MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT											
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
										Time Strategic Consultants (BTSC) to do an intense and an extensive audit of ICT across all core departments and develop an ICT Strategy to align with the business and mandate of KRLM. In the main the business goal of project is defined as follows: ✓ Development of an ICT Strategy ✓ Development of an ICT Governance Framework ✓ Alignment of the strategy with the IDP ✓ Development			

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KPA	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
										and/or review of policies and procedures to govern such an environment			
	Development of ICT Governance Charter	ICT Due Diligence & Risk Assessment Report in place	Information and Communication Technology Governance Charter implemented by June 2015	ICT Governance Charter adopted by Council by June 2015	OPEX	Engage relevant stakeholders	Development of ICT Governance Charter	Submit to Council for approval	Create awareness and enforcement	In June 2015 through a S32 process, KRLM requested and secured the services of Big Time Strategic Consultants (BTSC) to do an intense and an extensive audit of ICT across all core departments and develop an ICT Strategy to align with the business and mandate of KRLM. In the main the			

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KPA	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
										business goal of project is defined as follows: <ul style="list-style-type: none"> ✓ Development of an ICT Strategy ✓ Development of an ICT Governance Framework ✓ Alignment of the strategy with the IDP ✓ Development and/or review of policies and procedures to govern such an environment 			
	Introduction of a reliable IT support system	Frequent downtime of IT Systems	Developed Effective and reliable IT system	Reduction in downtime & reliable	OPEX	Investment in new technologies	Investment in new technologies	Investment in new technologies	Implementation & monitoring	In June 2015 through a S32 process, KRLM requested and secured the			

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KPA	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
			resulting in minimal downtime	support system by June 2015						services of Big Time Strategic Consultants (BTSC) to do an intense and an extensive audit of ICT across all core departments and develop an ICT Strategy to align with the business and mandate of KRLM. In the main the business goal of project is defined as follows: ✓ Development of an ICT Strategy ✓ Development of an ICT Governance Framework ✓ Alignment of the strategy with the IDP			

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KPA	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
										✓ Development and/or review of policies and procedures to govern such an environment			
	Development of a Business Continuity Plan	BCP not in place	Developed Business Continuity Plan	Secure funding for Business Continuity Plan by June 2015	OPEX	Development of BCP Business plan.	Submission of BCP Business plan for funding.			In June 2015 through a S32 process, KRLM requested and secured the services of Big Time Strategic Consultants (BTSC) to do an intense and an extensive audit of ICT across all core departments and develop an ICT Strategy to align with the business and mandate of KRLM.			

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KPA		MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT											
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
										In the main the business goal of project is defined as follows: <ul style="list-style-type: none"> ✓ Development of an ICT Strategy ✓ Development of an ICT Governance Framework ✓ Alignment of the strategy with the IDP ✓ Development and/or review of policies and procedures to govern such an environment 			

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KPA	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 6	Administrative and financial capability											
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Proper Management of municipal property and facilities	Create an enabling work environment	Inadequate office space & furniture	Provision of office space & furniture by June 2015	Provision of office space & furniture by June 2015	OPEX	Conduct a needs assessment	Refurbishment of offices & Procurement of furniture	Refurbishment of offices & Procurement of furniture	Refurbishment of offices & Procurement of furniture	Renovation of the Technical stores in Koster			
										Repairing of gate at Swartruggens sewer			
										Repairing of toilets at Swartruggens main office			
										Repairing of cemetery office in Koster			
										Installation of door and			

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KPA MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT													
OUTCOME 9	OUTPUT 1		Implement a differentiated approach to municipal financing, planning and support										
	OUTPUT 6		Administrative and financial capability										
Strategic Objective	Measurable Objective	Baseline 2013/2014	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
										locks in Derby office			
	Provision of security administration & organization	Inadequate security measures	Adequate security measures in place by June 2015	Adequate security measures in place by June 2014 viz: Physical (Access control); Document & Information; ICT & Personnel	OPEX	Appointment of MIS Officer	Establishment & training of Security Committee	Training & Awareness	Quarterly meeting	On 12 June 2015 had a meeting with SSA to discuss and finalize <i>inter alia</i> the training of MIS Officer, establishment of Security Committee etc.			
		No security policy & procedures	Security policy & procedures document developed	Security policy & procedures document developed by June 2015	OPEX	Engagement of relevant stakeholders on draft document	Finalization of Security policy & Procedures	Submit for Approval by Council	Training & Awareness	Achieved			

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3.14.3. Financial Viability and Management

1.	MUNICIPAL FINANCIAL VIABILITY												
OUTCOME 9	Output 1	Implement a differentiated approach to municipal financing, planning and support											
	Output 6	Administrative and financial capability											
	Output 7	Sign General Ledger window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Legal compliance and reporting	To produce and submit Monthly Budget statements [sec 71 reports]	12 monthly reports submitted	No. of monthly budget Statements (Section 71 reports)	12 monthly budget Statements (Section 71 reports)	None	3 monthly budget Statements	3 monthly budget Statements	3 monthly budget Statements	3 monthly budget Statements	Achieved	none	n/a	n/a
	To produce and submit Monthly Bank Reconciliation	12 Bank reconciliations performed and signed off	No. of bank reconciliations	12 of bank reconciliations	None	3 of bank reconciliations	3 of bank reconciliations	3 of bank reconciliations	3 of bank reconciliations	Achieved	none	n/a	n/a
	To perform VAT Reconciliation	12 VAT Reconciliations	No. of VAT reconciliations	12 VAT reconciliations	none	3 VAT reconciliations	3 VAT reconciliations	3 VAT reconciliations	3 VAT reconciliations	Achieved	none	n/a	n/a

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1.	MUNICIPAL FINANCIAL VIABILITY												
OUTCOME 9	Output 1	Implement a differentiated approach to municipal financing, planning and support											
	Output 6	Administrative and financial capability											
	Output 7	Sign General Ledger window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
	ns												
	To update Asset register	Only movable assets were counted	Updated asset register	Monthly updates	Opex	3 verification reports	3 verification reports	3 verification reports	3 verification reports	Achieved	none	n/a	n/a
	To Unbundling of assets		unbundling of assets including condition assessment	Unbundling of assets by June 2015					Unbundling of Assets	Not Achieved	none	Late appoint of service provider	Busy Unbundling

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KPA	MUNICIPAL FINANCIAL VIABILITY												
OUTCOME 9	Output 1	Implement a differentiated approach to municipal financing, planning and support											
	Output 6	Administrative and financial capability											
	Output 7	Sign General Ledger window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Revenue Enhancement and improvement of billing systems	To perform Salary Reconciliations	Monthly reconciliations performed from the third quarter of the financial year	No. of salary reconciliations by target date.	12 Monthly salary reconciliations performed	None	3 Monthly salary reconciliations	3 Monthly salary reconciliations	3 Monthly salary reconciliations	3 Monthly salary reconciliations	Achieved	none	n/a	n/a
	To submit Payroll Reports (section 66) To finance Committee	reports submitted quarterly	Number of payroll reports submitted to Finance Committee	12 Monthly reports submitted to finance committee	None	3 Monthly reports submitted to finance committee	3 Monthly reports submitted to finance committee	3 Monthly reports submitted to finance committee	3 Monthly reports submitted to finance committee	Achieved	None	n/a	n/a
	To perform Debtors	Reconciliations	No. of debtors	12 Perform	None	3 of debtors reconciliations	3 of	3 of	3 of	Achieved	none	n/a	n/a

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KPA	MUNICIPAL FINANCIAL VIABILITY												
OUTCOME 9	Output 1	Implement a differentiated approach to municipal financing, planning and support											
	Output 6	Administrative and financial capability											
	Output 7	Sign General Ledger window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
	Reconciliations	not performed	reconciliations	monthly debtors, reconciliations		ns	debtors reconciliations	debtors reconciliations	debtors reconciliations				
	To update Indigent Register and policy	Indigent policy in place	Updated indigent register on half yearly basis	Perform quarterly verifications of indigents	None	1 quarterly verifications of indigents	1 quarterly verifications of indigents	1 quarterly verifications of indigents	1 quarterly verifications of indigents	Not Achieved	none		
	To decrease Debtors	68% collection of revenue	% Decrease in debtors	Effective Revenue Management by Target Date	None	Review of Debt Collection Strategy	Commence process of collection of debtors			Not Achieved	none	Late commencement process of collection of outstanding amount from debtors	Review of revenue strategy with clear targets and start dates

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KPA	MUNICIPAL FINANCIAL VIABILITY												
OUTCOME 9	Output 1	Implement a differentiated approach to municipal financing, planning and support											
	Output 6	Administrative and financial capability											
	Output 7	Sign General Ledger window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Establishment and management of a fully functional supply management unit	To update supplier database	Out-dated supplier database	Number of supplier database register updated.	bi-annual review and update	Open	1 update supplier database		1 update supplier database		Achieved	none	n/a	n/a
	To update Supply Chain Management's policy and Procedure Manuals	Procedure manual	Number of SCM policy and procedure manual updated	1 SCM policy and procedure manuals updated	Open				1 Update SCM policy and procedure manual	Achieved	none	n/a	n/a
	To produce SCM Quarterly reports	1 Report on implementation of SCM submitted	no. of SCM quarterly reports submitted	4 SCM quarterly reports	None	1	1	1	1	Achieved	none	n/a	n/a

Chapter 3

KPA	MUNICIPAL FINANCIAL VIABILITY												
OUTCOME 9	Output 1	Implement a differentiated approach to municipal financing, planning and support											
	Output 6	Administrative and financial capability											
	Output 7	Sign General Ledger window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
	To report bids over 100 000 to National and Provincial Treasury	Awards (over R100 000) reported to National Treasury and not to Council	No. of SCM awards reports (over R100 000) to both National Treasury and Finance Committee	12 Reports submitted	None	3 SCM awards reports	3 SCM awards reports	3 SCM awards reports	3 SCM awards reports	Achieved	none	n/a	n/a
	To improve Turnaround Time to awards bids	Bids process not timeously completed	Turnaround time to award bids	30 days after closure of advert	None	Award bids within prescribed timeframe	Award bids within prescribed timeframe	Award bids within prescribed timeframe	Award bids within prescribed timeframe	Not Achieved	none	Bid committee not sitting	Bid Committee to sit as scheduled
	To improve procurement	No procurement	Development of Procurement	Proper procurement	Open	Development of Proper procurement	Implementation of Procurement	Implementation of	Implementation of	Not Achieved	none	None submission of procurement by senior management	Submission by July 2015 for new financial year 2015/16

Chapter 3

KPA	MUNICIPAL FINANCIAL VIABILITY												
OUTCOME 9	Output 1	Implement a differentiated approach to municipal financing, planning and support											
	Output 6	Administrative and financial capability											
	Output 7	Sign General Ledger window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
		nt plan	nt planning plan by target date.	plan developed		plan	ent plan	Procurement plan	Procurement plan				
	To provide effective fleet management system	Fleet not adequately monitored	Development of Management and Maintenance of Fleet plan	Effective utilization of fleet	Open	Implement a system of internal control for all municipal fleet	Monitor the internal control system	Monitor the internal control system	Monitor the internal control system	Not Achieved	none	Fleet plan not developed on time	Development of Fleet maintenance plan
	To update Contract register regularly	Contract register not updated regularly	Number of contract register updated.	12 Contract register updated on a monthly basis	Open	3 Contract register updated on a monthly basis	3 Contract register updated on a monthly basis	3 Contract register updated on a monthly basis	3 Contract register updated on a monthly basis	Achieved	none	n/a	n/a

Chapter 3

KPA	MUNICIPAL FINANCIAL VIABILITY												
OUTCOME 9	Output 1	Implement a differentiated approach to municipal financing, planning and support											
	Output 6	Administrative and financial capability											
	Output 7	Sign General Ledger window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Reduction of financial risk and alignment to applicable best practice.	Adherence to established turnaround times to pay creditors (30 days)	Creditors paid within 30 days	100% of creditors paid within 30 days	Monthly	Open	Pay creditors within 30 days of receipt of invoice	Pay creditors within 30 days of receipt of invoice	Pay creditors within 30 days of receipt of invoice	Pay creditors within 30 days of receipt of invoice	Not Achieved	none	Cash flow challenges by the municipality	Compliance with Sec 65(2)(e)

Chapter 3

3.14.4. Local Economic Development

KPA	LOCAL ECONOMIC DEVELOPMENT												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 3	Implementation of the Community Work Programme											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Functional LED	Establishment of Led	1 official in place	Establishment of functional LED Unit by target date	Functional LED unit by June 2015	OPEX	Appointment of Manager for LED	Capacitation of LED staff			Not Achieved		Cash flow problem	To fill the post in the next financial year
	Functional LED Forum	none	Establishment of functional LED Forum by target date	Functional LED forum by June 2015	OPEX	Development of terms of reference. Establishment of sector forums	Establishment of sector forums	Establishment of LED Forum		Not Achieved		Lack of capacity	Capacitate LED Unit
	Development of LED strategy	One in place	LED Strategy aligned to the provincial and National LED framework by Target date.	LED strategy by December 2014	BPD M	Appointment of service provider	Completion of LED Strategy			Not Achieved		Funds pledged by BPD M not released	To be done in the next financial year.

Chapter 3

KPA	LOCAL ECONOMIC DEVELOPMENT												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 3	Implementation of the Community Work Programme											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
	Development if LED Strategy implementation plan	LED strategy implementation plan not in place	LED Strategy implementation plan developed and resourced by target date.	LED strategy implementation plan developed and resourced by June 2015	OPEX			LED strategy implementation plan developed	Development if LED Strategy implementation plan	Not Achieved		Strategy not developed	To be done next financial year.

Chapter 3

KPA LOCAL ECONOMIC DEVELOPMENT													
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 3	Implementation of the Community Work Programme											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Functional LED	Job creation	50 CWP WORK opportunities created	Number of work opportunities created through CWP by target date	500 CWP work opportunities created by June 2015	NWP G	250 work opportunities created through CWP			250 work opportunities created through CWP	Achieved			
	Job creation	251 EPWP job opportunities created	Number of work opportunities created through EPWP by target date	500 EPWP work opportunities created by June 2015	2 Million	250 work opportunities created through EPWP			250 work opportunities created through EPWP	Achieved			
	Enhance LED	Non Functional LED unit	Development of LED Business case by target Date	Development and submission business	OPEX	Invite for proposals for LED business cases.	Appointment of PSP on risks			Achieved in the second quarter. 2 big-bang LED			

Chapter 3

KPA	LOCAL ECONOMIC DEVELOPMENT												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 3	Implementation of the Community Work Programme											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
				s cases						proposals submitted for funding			
	Recruitment of Investors	None	Development of Investor packages by target date.	Approved investor packages by September 2014	Opex	Development of Investor packages.	Marketing and branding Kgetleng	Marketing and branding Kgetleng	Marketing and branding Kgetleng	Not Achieved		Lack of funds	To be budgeted next financial year

Chapter 3

3.14.5. Spatial Rational

KPA SPATIAL RATIONAL													
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 3	Implementation of the Community Work Programme											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Functional town planning	Establishment of Town planning	No Town Planner employed in the municipality.	Establishment of functional of town planning unit by target date	Functional town planning unit by June 2015	OPEX	Capacitation of the MISA Young professional	Capacitation of the MISA Young professional	Appointment of town planning staff.	Capacitation of town planning staff	Achieved			
	Establishment of Building inspectorate	The position of Building Controller is vacant	Establishment of Functional building inspectorate by target date	Functional building inspectorate by June 2015	OPEX	Appointment of PSP to assist with the backlog of Building plans and collection of building plan fees.	Appointment of Building Controller/Building Control Officer	Capacitation of building inspectorate	Capacitation of building inspectorate	Achieved			
	New Municipal Tribunal Established in line with	The current Tribunal Committee is	New Municipal Tribunal Established in line	Functional SPLUMA Aligned	OPEX	Obtaining a Council Resolution	Identifying and engaging potential members	Getting a Council resolution to	Municipal Tribunal Fully functional	Achieved, Joint Municipal Tribunal Established			

Chapter 3

KPA	SPATIAL RATIONAL												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 3	Implementation of the Community Work Programme											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
	SPLUMA	operational but was established prior to the enactment of SPLUMA .	with SPLUMA by target date	Municipal Tribunal By Target Date				disestablish the Old Tribunal and obtaining approval of the new Municipal Planning Tribunal	nal	with Moses Kotane and Moretele Local Municipality.			

Chapter 3

Chapter 3

KPA SPATIAL RATIONAL													
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 3	Implementation of the Community Work Programme											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Development of a SPLUMA compliant Land Use Management system (LUMS)	Development of a wall to wall Land Use Scheme (LUS)	3 out-dated Town Planning Schemes that are covering limited area of the municipality and not SPLUMA aligned.	Establishment of a wall to wall LUMS by target date	By June 2015	OPEX	Compilation of base maps & Data Collection	Land use Survey & Confirmation of Existing Use Rights. Naming of streets	Preparation of Scheme Clauses & Scheme Maps	Statutory notices & legal input and Approval of LUS	Achieved, a service provider appointed through the assistance of the department of rural development.			
	Finalization & adoption of the Draft SDF	One out-dated SDF of 2006 in place, 1 Draft SDF	Implement a more up to date SDF	By June 2015	OPEX	Do any necessary final changes to the Draft SDF.	Obtain Council approval	Source funding for a SPLUMA aligned Revised		Not achieved		Awaiting the finalization of SPLUMA	To be done in the next financial year.

Chapter 3

KPA	SPATIAL RATIONAL												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 3	Implementation of the Community Work Programme											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
		in final stage.						SDF for the next financial year.					

Chapter 3

KPA	SPATIAL RATIONAL												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 3	Implementation of the Community Work Programme											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
TOWNSHIP ESTABLISHMENT For Affordable Housing	Creation of a minimum of 600 affordable housing stands	No affordable housing stands available in the municipal area	All the legally required Town planning work for 600 stands done and Council approval obtained.	By June 2015	OPEX	Database Registration of Town Planning consultants finalised. Naming of Streets in all completed lay out	Appointment of Consultants to affect all the necessary town planning processes .	Undertake all the necessary studies eg EIA, Geotechnical investigation etc	Prepare and submit all town planning application for Council approval.	Maxim planning appointed to finalize all outstanding township establishments.			
Promotion of security tenure	Provision of communities with title deeds	undetermined	Developed business plan for title deeds funding	Approved Business plan	OPEX	Development of Business plan	Approval of a business plan	Submission of business plan for funding .		Not Achieved		Lack of funds	To be done in the next financial year.

Chapter 3

3.14.6. Good Governance and Public Participation

KPA GOOD GOVERNANCE AND PUBLIC PARTICIPATION													
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 5	Deepen democracy through a refined Ward Committee model											
	OUTPUT 7	Single window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Oversight and Audit improvements	Improve audit outcome	Disclaimer on 12/13	Improved on audit outcome by target date	Clean audit on financial year 13/14	OPEX	Adherence on implementation of Audit Action Plans	Adherence on implementation of Audit Action Plans	Adherence on implementation of Audit Action Plans	Adherence on implementation of Audit Action Plans	Achieved, Audit Action plan is implemented on daily basis.			
	Development of Annual report.	Draft 12/13 Annual Report in place	Municipal Annual Report submitted within prescribed timeframe	Submission of Annual report by March 2015.	OPEX	AFS and draft annual report submitted to AG by 31 August 2014	Support AG in Auditing	Tabling of Draft Annual Report and Oversight	Present final Annual report and oversight report to	Not Achieved,		MPAC still busy with the report.	To capacitate MPAC.

Chapter 3

KPA		GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 5	Deepen democracy through a refined Ward Committee model											
	OUTPUT 7	Single window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
									Council and made them public.				
	Development of Oversight report	None	Oversight Report adopted by council by 31 march 2015	Compliance with section 129 of MFMA	OPEX			Development of Oversight report	Oversight Report adopted by council by 31 march 2015	Not Achieved,		MPAC still busy with the report.	To capacitate MPAC.
	Establishment of Risk committee	None	Functional risk committee established by target date.	Functional risk committee established by August 2014.	OPEX	Establishment of functional risk committee				Not Achieved		Lack of capacity	Capacitate municipality on risk matters.

Chapter 3

KPA		GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 5	Deepen democracy through a refined Ward Committee model											
	OUTPUT 7	Single window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
	Implementation of council resolutions	Resolution Register in place	% council resolutions implemented by target date.	100% of council resolutions implemented	OPEX	100% of council resolutions implemented	100% of council resolutions implemented	100% of council resolutions implemented	100% of council resolutions implemented	Achieved, resolution register in place.			
	Development of Internal Audit charter and methodology	Unapproved Internal Audit charter and methodology	Functional internal audit unit established by target date	Development and adherence to Internal Audit charter and methodology by August 2014	OPEX	Internal Audit charter and methodology developed	Implementation of Internal Audit charter and methodology	Implementation of Internal Audit charter and methodology	Implementation of Internal Audit charter and methodology	Achieved, Audit committee approved charter and methodology.			
	Establishment of	District Shared	Functional Audit	Signing of	OPEX	Signing of MOU with	Attending quarterly	Attending	Attending	Not Achieved		Awaiting BPDM to appoint a new	To be done in the next

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KPA GOOD GOVERNANCE AND PUBLIC PARTICIPATION													
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 5	Deepen democracy through a refined Ward Committee model											
	OUTPUT 7	Single window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
	Audit Committee	Audit Committee in place	committee established	MOU with BPDM regarding utilization of AC.		BPDM regarding utilization of AC	Audit committee meeting	quarterly Audit committee meeting	quarterly Audit committee meeting			Audit committee, as the current one the term is expired.	financial year.
		No Risk Committee	Functional Risk Management Unit established by target date.	Risk Management unit staffed. IA plans be based on risk register	OPEX	Development of IA plans	Staff Risk Management Unit			Not Achieved		Lack of capacity	Capacitate municipality on risk matters.

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KPA		GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 5	Deepen democracy through a refined Ward Committee model											
	OUTPUT 7	Single window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Functional Performance Management System [PMS]	Development of Performance Management Framework	13/14 PMS Framework in place	Municipality with an approved Performance Management Framework by target date	Development and approval of PMS Framework by August 2014	OPEX	Development and approval of PMS Framework by August 2014	Implementation	Implementation	Implementation	Achieved, Council approved framework in August 2014, and implemented.			
	Development of Quarterly reports	4 In place	Number of SDBIP quarterly performance reports generated by target date.	4 SDBIP quarterly performance reports generated	OPEX	SDBIP quarterly performance reports generated	SDBIP quarterly performance reports generated	SDBIP quarterly performance reports generated	SDBIP quarterly performance reports generated	Achieved.			

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KPA		GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 5	Deepen democracy through a refined Ward Committee model											
	OUTPUT 7	Single window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
	Ensuring accountability	MM and Directors signed 13/15 PA'S	Number of signed Performance agreements by MM and section 56 managers and Unit Managers by target date.	5 Performance agreements by MM and section 56 managers by July 2015	OPEX	All section 56 and MM signed PA'S				Achieved			
	To prepare and submit 2014/15 midterm report(sec 72)	13/14 midterm assessment in place	2014/15 Midyear performance report prepared and submitted	2014/1 Midyear performance report prepared and submitted	OP EX			developed midyear performance report and		Achieved			

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KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 5	Deepen democracy through a refined Ward Committee model											
	OUTPUT 7	Single window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Strengthen Accountability	To hold council meetings	4 Council Meetings held	Number of council meetings held.	4 Council Meetings	OPEX	1 Council Meetings	1 Council Meetings	1 Council Meetings	1 Council Meetings	Achieved			
	To hold portfolio committee meetings	4 per Portfolio meetings held	Number of functional section 79 and 80 Committees monitored by target dates.	4 Per Portfolio committee meetings	OPEX	1 Per Portfolio committee meetings and MPAC	1 Per Portfolio committee meetings and MPAC	1 Per Portfolio committee meetings and MPAC	1 Per Portfolio committee meetings and MPAC	Achieved			
	To hold tribunal meetings	1 Tribunal Meeting Held	Number of Tribunal meetings held.	4 Tribunal Meetings held	OPEX	1 Tribunal Meetings held	1 Tribunal Meetings held	1 Tribunal Meetings held	1 Tribunal Meetings held	Achieved			

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KPA GOOD GOVERNANCE AND PUBLIC PARTICIPATION													
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 5	Deepen democracy through a refined Ward Committee model											
	OUTPUT 7	Single window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Ensure Legislative Compliance	To prepare and submit 15/16 IDP, budget process plan	14/15 IDP, Budget process plan in place	14/15 IDP, budget process plan developed and submitted	15/16 IDP, budget process plan submitted by 31 August 2014	OPE X	15/16 IDP, budget process plan submitted by 31 August 2014				Achieved			
	To prepare and submit Credible 15/16 draft and final IDP & budget	5 year IDP and 12/17 budget in place	Credible 15/16 draft and final IDP & budget submitted on time	Credible 15/16 draft(March 2014) and final(May 2014) IDP & budget submitted on time	OPE X			Credible 15/16 draft and final IDP & budget submitted on time	Credible 15/16 draft and final IDP & budget submitted on time	Achieved, both IDP and Budget approved by council in time.			

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KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 5	Deepen democracy through a refined Ward Committee model											
	OUTPUT 7	Single window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
	on time												
			Number of By Laws developed and approved by target date.	6 of By Laws developed and approved	OPEX	Development and adoption of all identified by laws.	Public participation and gazetting of by laws	Approval of 6 by laws	Promulgation	Not achieved		Lack of capacity	Engage SALGA for assistance in the next financial year.
	Compliance to budget adjustment requirements	Adjustment budget submitted to and adopted by Council	Number of budget adjustments submitted and approved by council	Submit a draft adjustment budget to Council by January 2015	OPEX			Submit adjustment budget to Council for approval	Compliance to budget adjustment requirements	Not Achieved		The adjustment budget was prepared and submitted to Council and it was returned back.	None

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KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 5	Deepen democracy through a refined Ward Committee model											
	OUTPUT 7	Single window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Deepening Democracy	To improve functionality of Ward Committees	6 W/C in place	Number of functional wards committees and development of Annual operational plan by target date.	12 copies of minutes Development of Annual operational plan	Ope x	3 copies of minutes and Development of Annual operational plan	3 copies of minutes	3 copies of minutes	3 copies of minutes	Achieved, attendance register and minutes are submitted to office of the speaker on monthly basis.			
	To train Ward Committees Members	50 Members Trained	To conduct a skills audit and development and implementat	Adherence to training plan	OPE X	Development of training plan	Implementation of training plan	To train Ward Committees Members	50 Members Trained	Not achieved		Financial constraints	Engage BPDM in the next financial year for assistance.

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KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 5	Deepen democracy through a refined Ward Committee model											
	OUTPUT 7	Single window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
			ion of training plan										
	To organise and facilitate community engagement	20 Community Meetings	Number of Council Public Participation programmes conducted by target date.	24 meetings held annually	OPEX	6 community Meetings Held per quarter.	6 community Meetings Held per quarter.	6 community Meetings Held per quarter.	6 community Meetings Held per quarter.	Achieved, community meeting are held as per schedule.			
	Effective Customer Feedback Management System	Manual System in place	Development and implementation of an Electronic Customer Feedback Management System	Electronic Customer Feedback Management System - June 15	OPEX	conduct research on available system	source for funding	Implementation	Implementation	Not achieved		Financial constraints	Improve financial situation of the municipality.

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KPA GOOD GOVERNANCE AND PUBLIC PARTICIPATION													
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 5	Deepen democracy through a refined Ward Committee model											
	OUTPUT 7	Single window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
Marketing and Branding	Development of a Corporate Identity Manual	No CI Manual	CI Manual developed	CI Manual developed by June 2015	OPEX	Engage key stakeholders	Appoint Service Provider	Develop CI Manual & submit to Council for approval	Training & Awareness	Not achieved		Lack of capacity	Capacitate municipality on matters relating to marketing and branding
	Implementation of a Communication Strategy	No Communication Strategy	An effective Communication Strategy	Improved community engagement through multiple communication	OPEX	Engage key stakeholders		Development of Communication Strategy	Submission of document to Council for approval and implementation	Not achieved		Financial constraints	To be done in the next financial year.

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KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION												
OUTCOME 9	OUTPUT 1	Implement a differentiated approach to municipal financing, planning and support											
	OUTPUT 5	Deepen democracy through a refined Ward Committee model											
	OUTPUT 7	Single window of coordination											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
				n mediums									
	Development of Communication Policies	Draft Policies in place	Communication policies developed	Communication policies developed	OPEX	Review and refine draft policies	Solicit inputs & submit to Council for approval	Awareness & Training	Implementation	Not achieved		Lack of capacity	Capacitate the municipality
	Improved management of Municipality Website	Out-dated Website	An updated and accurate Municipality Website	Fully Functional and up-to-date Website	OPEX	Engage Service Provider & finalize SLA	Keep website up-to-date & functional	Keep website up-to-date & functional	Keep website up-to-date & functional	Achieved, website is updated when there are documents or information required to be updated.			
	Continuous improvement of	Newsletter in place	Increased readership of	Newsletter developed	OPEX	Develop & distribute 3000 copies	Develop & distribute	Develop & distribute	Develop & distribute 3000 copies of	Not achieved		Lack of capacity	Capacitate the municipality

Chapter 3

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION												
OUTCOME 9	OUTPUT 1	<i>Implement a differentiated approach to municipal financing, planning and support</i>											
	OUTPUT 5	<i>Deepen democracy through a refined Ward Committee model</i>											
	OUTPUT 7	<i>Single window of coordination</i>											
Strategic Objective	Measurable Objective	Baseline 2013/14	Key Performance Indicator	Annual Targets 2014/2015	Budget	Quarterly Performance				ANNUAL PERFORMANCE REPORT			
						Q1	Q2	Q3	Q4	Actual performance	Expenditure	Reasons for underperformance	Corrective Measure
	Newsletter		Newsletter	published internally		of newsletter	3000 copies of newsletter	3000 copies of newsletter	newsletter				

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

The Organizational Development within the workplace is vital. It focuses on improving the quality of services through training, Discipline and other various Human resource activities. The utilization of Leave is vital as well as Labour matters. The municipality in the past financial years experienced number of ill-discipline cases due to non-committed employees. The skills development is also an integral part of Organizational Development.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year 2013/2014	Year 2014/2015			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	–	32	15	17	53%
Waste Water (Sanitation)	–	14	22	0	0%
Electricity	–	12	2	10	83%
Waste Management	–	35	29	6	17%
Roads and storm water	–	20	11	9	45%
Parks and Cemeteries	–	30	25	5	17%
Human Resources		4	2	2	50%

Chapter 4

	–				
Administration	–	24	19	5	21%
Committee and Records	–	5	2	3	60%
PMS	–	4	1	3	75%
Revenue	–	31	18	13	42%
Budget and Expenditure	–	8	4	4	50%
Supply Chain	–	8	3	5	63%
Public Safety	–	30	8	22	73%
Libraries	–	10	5	5	50%
Municipal Manager's Office	–	14	7	7	50%
Mayor's Office	–	10	6	4	40%
Totals	–	291	179	120	41%

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organ gram.

T 4.1.1

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Year 2014/2015	15	5	50%
Year 2013/2014	10	13	130%
Year 2012/2013	43	14	33%

Chapter 4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

Policy development is very critical in any institution. KRLM has developed and adopted number of HR policies

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Appointment of Acting capacity	Jun-10	Not yet reviewed	1-Jun-10
2	Bursary Policy	Jun-10	Not yet reviewed	1-Jun-10
3	Career Pathing policy	Jun-10	Not yet reviewed	1-Jun-10
4	Cellphone allowance policy	Jun-10	Not yet reviewed	1-Jun-10
5	Code of conduct policy	Jun-10	Not yet reviewed	1-Jun-10
6	Conflict of interest policy	Jun-10	Not yet reviewed	1-Jun-10
7	Corporate governance policy	Jun-10	Not yet reviewed	1-Jun-10
8	Employee Equity Policy	Jun-10	Not yet reviewed	1-Jun-10
9	Municipal Assets use policy	Jun-10	Not yet reviewed	1-Jun-10
10	Gift to Employees policy	Jun-10	Not yet reviewed	1-Jun-10
11	HIV/AIDS Policy	Jun-10	Not yet reviewed	1-Jun-10
12	Housing policy	Jun-10	Not yet reviewed	1-Jun-10
13	Incapacity Policy	Jun-10	Not yet reviewed	1-Jun-10

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14	Mayoral- Vehicle Policy	Jun-10	Not yet reviewed	1-Jun-10
15	Medical Aid Policy	Jun-10	Not yet reviewed	1-Jun-10
16	Medical Examinations Policy	Jun-10	Not yet reviewed	1-Jun-10
17	Membership of Professional Societies Policy	Jun-10	Not yet reviewed	1-Jun-10
18	Occupational health and Safety Policy	Jun-10	Not yet reviewed	1-Jun-10
19	Parking on Municipal Head Offices Policy	Jun-10	Not yet reviewed	1-Jun-10
20	Promotion Policy	Jun-10	Not yet reviewed	1-Jun-10
21	Protected Disclosure Policy	Jun-10	Not yet reviewed	1-Jun-10
22	Relocation Policy	Jun-10	Not yet reviewed	1-Jun-10
23	Sexual and Racial Policy	Jun-10	Not yet reviewed	1-Jun-10
24	Skills and Development Policy	Jun-10	Not yet reviewed	1-Jun-10
25	Staff and Retention Policy	Jun-10	Not yet reviewed	1-Jun-10
26	Substance abuse	Jun-10	Not yet reviewed	1-Jun-10
27	Termination of Services Policy	Jun-10	Not yet reviewed	1-Jun-10
28	The Group Life Policy	Jun-10	Not yet reviewed	1-Jun-10
29	Theft and Loss policy	Jun-10	Not yet reviewed	1-Jun-10
30	Use of Internet and Email policy	Jun-10	Not yet reviewed	1-Jun-10
31	Working Hours Policy	Jun-10	Not yet reviewed	1-Jun-10
<i>Use name of local policies if different from above and at any other HR policies not listed.</i>				<i>T 4.2.1</i>

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

KRLM will in the next financial year review its policy to align them with applicable legislation. New policy development will be based on an extensive investigation.

Chapter 4

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	60	4	7%	3 Months	
Temporary total disablement	120	4	3%	6 Months	
Permanent disablement	90	1	1%	6 Months	
Fatal		1	10%		250000
Total	270	10	21%	15 months	250000
T 4.3.1					

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	1028	0%	165	0		
Skilled (Levels 3-5)	283	0%	8	0		
Supervisor	251	0%	7	0		
Management	49	0%	5	0		
MM and S57	0	0%	0	0		
Total	1611	0%	185	0		677569

COMMENT ON INJURY AND SICK LEAVE:

Chapter 4

The municipality did not comply mostly with OHS and that costed the municipality. The department of Labour has been engaged to assist the municipality.

4.4 PERFORMANCE REWARDS

The municipality did not award performance bonuses to its employees due to the following challenges:

Lack of financial muscle to pay.

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COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2014/2015	Number of skilled employees required and actual as at 30 June 2015											
			Learner ships			Skills programmers & other short courses			Other forms of training			Total		
		No.	Actual: End of Year 2012/2013	Actual: End of Year 2013/2014	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target
MM and s57	Female	1	1	1	0	1	1	1	1	0	0			
	Male	5	4	4	4	4	4	4	4	4	4			
Councilors, senior officials and managers	Female		4	4	4	4	4	4	4	4	4			
	Male		3	3	3	3	3	3	3	3	3			
Skilled Employee	Female	2	2	2	2	2	2	2	2	2	2			
	Male	2	2	2	2	2	2	2	2	2	2			
Professionals	Female		10	10	10	10	10	10	10	10	10			
	Male		4	4	4	4	4	4	4	4	4			
Total		0	29	29	29	29	29	29	29	29	29	0	0	0

*Registered with professional Associate Body e.g CA (SA)

T 4.5.1

Chapter 4

MINIMUM COMPETENCY LEVEL

TOTAL NUMBER TO ATTEND	COMPLETED	IN PROGRESS	DUE FOR PENSION
24	11	10	4

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The municipality has spent R925 000 00 for training in the year under review. Clearly there is a much need to do more.

T 4.5.4

Chapter 5

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The Employee expenditure is controlled by various measures such as Bargaining Councils for Employees who are not Senior Managers and Circulars for Senior Managers. The Municipality must always adhere to directives from such institutions

4.6 EMPLOYEE EXPENDITURE

NUMBER OF EMPLOYEES AND SALARIES			
Salary Levels	No: Employees	Gender	Total Amount
CEO	1	M=1	R284 159.52
Level 1	7	M=4 F=1	R1 795 985 52
Level 2 A	2	M=1 F=1	R478 140 72
Level 2	2	M=2 F=0	R457 109 32
Level 3	3	M=2 F=1	R629 442 24
Level 4	2	M=2 F=0	R397 933 92
Level 5	23	M=14 F=9	R4 076 855 52
Level 5 B	1	M=0 F=1	R172 699.08
Level 6	2	M=2 F=0	R303 842 00
Level 7	7	M=4 F=3	R966 240 32
Level 8	9	M=4 F=5	R1 142 231 76
Level 9	1	M=0 F=1	R113 254.20
Level 10	28	M=16 F=12	R2 881 328 82
Level 11	12	M=12 F=0	R1 110 167 22
Level 13	1	M=1 F=0	R81 092 52
Level 16	97	M=66 F=31	R7 486 064 24
Contract	1	M=0	R157 537 92

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		F=1	
Interns	4	M=2 F=2	R523 758 48
Section 57	4	M=3 F=1	R2 122 290 53
Councilors	12	M=8 F=4	R2 729 138 00
TOTAL	219	M=144 F=75	R27 909 271 85

It is clear from the table above that the female employees constitute 34% of the target 50:50%. Discrepancy exists between the staff appointment according to the approved structure and actual appointment. This discrepancy is attributed to number of officials not occupying position of the establishment. It is vital that in the coming financial year the staff establishment be reviewed to address these discrepancies.

The municipality has not yet conducted Job Evaluation.

DISCLOSURES OF FINANCIAL INTERESTS

The Disclosure of Financial interest will be outlined in the appendix

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2012/15 financial year:

Description	2013/14	2014/15			2014/15 Variance	
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	,000				%	
Financial Performance						
Property rates	5,130	5,130	9,260	7,592	-32	22
Service charges	46,632	46,632	49,376	54,090	-14	-9
Investment revenue	1,873	1,873	1,873	-	-	-
Transfers recognised - operational	62,975	62,975	62,975	85,976	-27	-27
Total Revenue(Excluding capital transfer and Contributions)	133,424	133,424	140,298	147,658	-10	-5
Employee costs	37,396	37,396	37,728	38,429	-3	-2
Remuneration of councillors	5,306	5,306	5,306	5,906	-10	-10
Depreciation & asset impairment	1,723	1,723	1,723	-	-	-
Finance charges	512	512	512	4,467	-89	-89
Materials and bulk purchases	24,584	24,584	25,636	25,216	-3	2
Transfers and grants	-	-	-	-	-	-
Other expenditure	51,679	51,679	52,572	74,912	-31	-30
Total Expenditure	121,200	121,200	123,479	148,930	-19	-17
Surplus/(Deficit)	12,224	12,224	16,819	-1,272	-1,061	-1,422
Transfer capital recognised	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-
Surplus/(Deficit) after capital transfer & Contributions	12,224	12,224	16,819	-1,272	-1,061	-1,422
Share of surplus/ (deficit) of associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	12,224	12,224	16,819	-1,272	-1,061	-1,422
Capital expenditure & funds sources						
Capital expenditure	49,730	27,215	29,420	21,376	27	38
Transfers recognised - capital	31,998	22,715	22,715	21,376	6	6
Public contributions & donations	-	-	-	-	-	-

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Borrowing	-	-	-	-	-	-
Internally generated funds	17,731	4,500	6,705	4,875	-8	38
Total sources of capital funds	49,730	27,215	29,420	26,251	4	12

Description	2013/14	2014/15			2014/15 Variance	
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	,000				%	
Financial position						
Total current assets	70,025	70,380	70,380	85,409	-21	-21
Total non current assets	330,673	191,502	191,502	349,752	-83	-83
Total current liabilities	91,650	4,801	4,801	131,051	-2,630	-2,630
Total non current liabilities	-	-	-	-	-	-
Community wealth/Equity	309,048	257,081	12,224	309,032	-20	-2,428
Cash flows						
Net cash from (used) operating	25,266	28,608	31,994	63,449	-122	-98
Net cash from (used) investing	-24,710	-22,866	-25,071	-1,228	95	95
Net cash from (used) financing	-6,295	-	-	-	-	-
Cash/cash equivalents at the year end	1,368	7,154	8,335	1,911	73	77
Cash backing/surplus reconciliation						
Cash and investments available	7,032	8,000	8,000	6,732	16	16
Application of cash and investments	46,189	-44,653	-45,565	-	-	-
Balance - surplus (shortfall)	-39,157	52,653	53,565	1,911	96	96
Asset management						
Asset register summary (WDV)	107,735	191,502	191,502	291,725	-52	-52
Free services						
Cost of Free Basic Services provided	32,898	36,658	36,658	-	-	-
Revenue cost of free services provided	2,477	3,083	37,532	-	-	-
Households below minimum service level						
Water:	3	3	-	-	-	-
Sanitation/sewerage:	3	3	3	-	-	-
Energy:	-	-	-	-	-	-
Refuse:	6	7	2	-	-	-

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REVENUE COLLECTION BY GFS

The table below indicates the Revenue collection performance per GFS (Government Finance Statistics):

Description	2013/14	2014/15			2014/15 Variance	
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	,000				%	
Revenue - Standard						
Governance and administration	70,963	64,954	69,084			
Executive and council	46,026	50,398	50,398			
Budget and treasury office	16,992	13,622	17,752			
Corporate services	7,944	934	934			
Community and public safety	1,572	2,811	2,811			
Sport and recreation	–	2	2			
Public safety	–	–	–			
Housing	–	33	33			
Health	–	–	–			
Economic and environmental services	29,600	13,027	13,027			
Planning and development	–	–	–			
Road transport	29,600	13,027	13,027			
Environmental protection	–	–	–			
Trading services	47,963	52,633	55,377			
Electricity	25,989	32,898	32,898			
Water	17,372	8,297	11,041			
Waste water management	3,001	9,626	9,626			
Waste management	1,601	1,812	1,812			
Other	–	–	–			
Total Revenue - Standard	150,098	133,425	140,298			

Council succeeded to obtain higher revenue than budgeted. The operating expenditure was a technical adjustment caused by a change in the fair value of municipal assets, expenses, repairs and maintenance particularly land and buildings. Details of this matter are to be found in the financial statements.

Chapter 5

REVENUE COLLECTION BY SOURCE

The table below indicates the Revenue collection performance by source for the 2014/15 financial year:

Description	2013/14	2014/15			2014/15 Variance	
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	,000				%	
Revenue By Source						
Property rates	4,831	5,130	9,260	7,592	-48	18
Property rates - penalties & collection charges	-	-	-	-	-	-
Service charges - electricity revenue	25,989	32,781	32,781	38,537	-18	-18
Service charges - water revenue	5,983	8,037	10,781	-	-	-
Service charges - sanitation revenue	3,001	3,626	3,626	-	-	-
Service charges - other	406	377	377	-	-	-
Rental of facilities and equipment	62	39	39	67	-72	-72
Interest earned - external investments	453	1,873	1,873	346	82	82
Interest earned - outstanding debtors	6,508	4,684	4,684	9,023	-93	-93
Dividends received	-	-	-	-	-	-
Fines	446	3,881	3,881	315	92	92
Licences and permits	3,926	3,570	3,570	4,747	-33	-33
Agency services		-	-	-	-	-
Transfers recognised - operational	71,879	62,975	62,975	85,976	-37	-37
Other revenue	25,012	4,641	4,641	1,054	77	77
Gains on disposal of PPE	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	150,098	133,424	140,298	147,657	-11	-5

OPERATIONAL SERVICES PERFORMANCE

The table below indicates the Operational services performance for the 2014/15 financial year:

Description	2013/14	2014/15			2014/15 Variance	
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	,000				%	
Operating Cost						
Governance and administration	144,791	51,599	51,932			
Executive and council	43,058	24,966	25,298			
Budget and treasury office	31,399	16,615	16,615			
Corporate services	70,335	10,019	10,019			

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Community and public safety	–	4,469	4,469			
Sport and recreation	–	–	–			
Public safety	–	2,150	2,150			
Housing	–	254	254			
Health	–	–	–			
Economic and environmental services	–	13,855	14,545			
Planning and development	–	–	–			
Road transport	–	13,855	14,545			
Environmental protection	–	–	–			
Trading services	22,564	51,277	52,533			
Electricity	20,406	27,926	28,556			
Water	2,158	9,753	10,176			
Waste water management	–	10,214	10,214			
Waste management	–	3,383	3,587			
Other	–	–	–			
Total Expenditure	167,355	121,200	123,479			

The bulk of the negative variance on expenditure is related to fair value adjustments on municipal assets (land and buildings) and increased contributions made to the bad debt provisions for water, electricity, waste water and waste.

5.2 GRANT PERFORMANCE

The Municipality received R 62 975 million in the form of operating and capital grants from the National and Provincial Governments during the 2014/15 financial year. The spending of the grants is summarised as follows:

Grant Performance						
Description	2013/14	2014/15			2014/15 Variance	
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	,000				%	
EXPENDITURE:						
Operating expenditure of Transfers and Grants						
National Government:	60,565	55,339	62,475	63,628	-15	-2
Local Government Equitable Share	46,026	48,210	48,210	50,398	-5	-5
Local Government Equitable Share	–	2,188	2,188	1,800	18	18
Municipal Systems Improvement	896	934	934	931	0	0
EPWP Incentive	1,000	2,207	2,207	1,755	20	20
Electricity Demand Side Management		–	–		–	–
ACIP Funding & RBIG Funding	11,390		7,136	8,744	–	-23

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			-			
Provincial Government:	572	500	500	500	0	0
Library Grant	572	500	500	500	0	0
District Municipality:	3,946	-	-			
Bojanala Platinum District Municipality	3,946	-	-			
			-			
Other grant providers:	6,580	-	-	472	-	-
LGSETA	6,580	-	-	472	-	-
	71,664	55,839	62,975	64,600	-16	-3

Grant Performance – Capital Expenditure						
Description	2013/14	2014/15			2014/15 Variance	
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	,000				%	
Capital expenditure of Transfers and Grants						
National Government:	22,658	22,715	22,715	21376	6	6
Municipal Infrastructure Grant (MIG)	22,658	22,715	22,715	21,376	6	6
Provincial Government:	11,490	-	8,744	8,744	-	0
Other capital transfers/grants	11,490	-	8,744	8,744	-	0
District Municipality:	-	-	-		-	-
Bojanala Platinum District Municipality	-	-	-		-	-
Other grant providers:	-	-	-		-	-
Total capital expenditure of Transfers and Grants	34,148	22,715	31,459	30,120	-33	4
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	34,148	22,715	31,459	30,120	-33	4

Chapter 5

5.3 ASSET MANAGEMENT

Asset management is undertaken in terms of the MFMA and based on a comprehensive asset management policy. The Asset Management Policy provides direction for management to monitor purchase dispose of and account and control Property, Plant & Equipment (Asset) to ensure that:

- There is full implementation of the approved Asset Management Policy as required in terms of section 63 of the MFMA.
- To verify assets in possession of the Council annually and during the course of the financial year. To keep a complete and balanced record of all assets in possession of the Council.
- To ensure the report in writing of all asset losses, where applicable.
- That asset are valued and accounted for in accordance with a statement of GRAP.
- Those assets are properly maintained and safeguarded.

REPAIRS AND MAINTENANCE

Repairs & Maintenance					
Description	2013/14	2014/15			Original Budget Variance
	Audited Outcome	Original Budget	Adjusted Budget	Actual	
	,000				%
Repairs and Maintenance Expenditure	8,345	10,403	10,403	4939	52
Source: C Schedule monthly budget statement SC13c for June 2012 (budget figures for materials only – does not include staffing or other recharges); AFS 2014/15 (actual)					

Note: The repairs and maintenance expenditure must reconcile with the operational repairs and maintenance expenditure for all services set out above.

Repairs and maintenance represents some 52 % of total expenditure for 2014/15. This is below the industry norm of 6% to 8% however this excludes the related staffing costs of R & M which many municipalities include in their final reporting figure. Until such time as there are proper national guidelines the figures variously shown are open for misinterpretation. It is accepted that the figure should be increased but it is at the discretion of the responsible Directors in terms of the MFMA as to whether they wish to spend more on R & M as opposed to General Expenses.

Chapter 5

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

LIQUIDITY RATIO			
Description	Basis of calculation	2013/14	2014/15
		Audited outcome	Pre-audit outcome
Current Ratio	Current assets/current liabilities	0.81	0.65
Current Ratio adjusted for aged debtors	"Current assets less debtors > 90 days/current liabilities"	0.47	0.36
Liquidity Ratio	Monetary Assets/Current Liabilities	0.02	0.01

The following graph indicates the liquidity financial ratio for 2014/15:

IDP REGULATION FINANCIAL VIABILITY INDICATORS			
Description	Basis of calculation	2013/14	2014/15
		Audited outcome	Pre-audit outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure		
Total Outstanding Service Debtors to Revenue	Total outstanding receivables from exchange transactions/annual revenue received from exchange transactions		
Debt coverage	(Total Operating Revenue – Operating Grants)/Debt service payments due within financial year)		

Chapter 5

OUTSTANDING SERVICE DEBTORS TO REVENUE

The following graph indicates the outstanding service to revenue financial viability indicator:

COST COVERAGE

The following graph indicates the cost coverage financial viability indicator:

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

SPENDING AGAINST CAPITAL BUDGET

It has been fully acknowledged that capital expenditure during 2014/15 was poor when measured against the final adjustment budget. The reasons for the under-expenditure can be attributed to a number of reasons. Firstly, poor planning for internally funded projects, most particularly the renovations to Council buildings. The priority is to ensure that all grant funds are spent and thus there is an emphasis on grant funded projects – at times to the detriment of other projects.

Secondly, a failure to receive goods on time, despite planning and early ordering, and thirdly, an inability to spend moneys which had to be allocated due to legal demands. Most notably in this regard is the additional work required to the Waste Water Treatment Works after the effluent spill.

Besides the above, the planning regime needs to become more rigorous and tighter project management must prevail. There needs to be greater security on budgets available and the internal systems must become more integrated and fluid. Where possible dedicated senior project managers must be appointed to allow the operational managers to oversee the daily functioning of the service delivery units. There also needs to be far greater interrogation of the year to date expenditure and commitments at mid-year. These matters are being addressed.

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5.5 CAPITAL EXPENDITURE

CAPITAL EXPENDITURE BY NEW ASSETS PROGRAMME

Description	2013/14	2014/15			Planned Capital expenditure		
	Audited Outcome	Original Budget	Adjusted Budget	Actual	2015/16	2016/17	2017/18
	,000						
Capital expenditure on new assets by Asset Class/Sub-class							
Infrastructure							
Infrastructure - Road transport	25,891	23,715	24,213		19,079	16,800	22,039
Roads, Pavements & Bridges	25,891	22,715	23,813		12,579	16,000	18,039
Storm water	25,891	22,715	23,813		12,579	16,000	18,039
Infrastructure - Electricity							
Generation	–	1,000	400		2,500	–	–
Transmission & Reticulation			–				
Street Lighting		1,000	400		2,500		
Community							
Cemeteries	23,630	500	–		3,073	6,104	2,000
Other		500	–		3,073	6,104	2,000
	23,630						
Investment properties							
Other	209	–					
	209		71				
Other assets							
	–	3,000	5,136		5,700	5,996	6,338
General vehicles			3,000		3,500	3,682	3,892
Computers - hardware/equipment		2,500	1,000		1,200	1,262	1,334
Furniture and other office equipment		500	1,136		1,000	1,052	1,112
Total Capital Expenditure on new assets	49,730	27,215	29,420		27,852	28,900	30,377

Chapter 5

5.6 SOURCES OF FINANCE

Description	2013/14	2014/15				
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
	Source of finance				%	
National Government	25,891	22,715	22,715			
Provincial Government	6,108	0	0			
District Municipality	-	-	-			
Other transfers and grants	-	-	-			
Transfers recognised - capital	31,998	22,715	22,715			
Public contributions & donations	-	-	-			
Borrowing	-	-	-			
Internally generated funds	17,731	4,500	4,500			
Total Capital Funding	49,730	27,215	27,215			
	Percentage of finance					
Transfers recognised - capital						
Internally generated funds						
	Capital expenditure					
Roads and storm water	31,998	22,715	22,715			
Other	17,731	4,500	4,500			
Total	49,730	27,215	27,215			
	Percentage of expenditure					
Roads and storm water						
Other						

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5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Description	2014/15			Variance Current Year: 2014/15	
	Original Budget	Adjusted Budget	Actual	Original Variance	Adjustment variance
				%	
Infrastructure – Road transport	22,715	22,715			

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Out of the various Master Plans revised, various infrastructure backlogs and upgrades were identified which will be required to meet current and future development needs. Budgetary provision will be made accordingly, dependent upon the availability of funds. It is hoped that the 2016 Census will further assisted in the identification of backlogs.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

CASH FLOW MANAGEMENT AND INVESTMENTS

Cash and cash equivalents amounted to R1.9 million in 2014/15. Cash and cash equivalents represent the second largest item in current assets, with receivables from exchange and non-exchange transactions being the largest. As a component of total assets on the Municipality's statement of financial position, cash and cash equivalents is the fourth largest item preceded by property, plant and equipment and investment property in non-current assets and receivables in current assets. Cash is effectively managed in order to meet all commitments timely and is also safeguarded in order to be available for the cash backed funds and reserves. Kgetlengrivier Local Municipality cannot afford a very high priority to cash flow management.

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5.10 BORROWING AND INVESTMENTS

MUNICIPAL INVESTMENTS

Investment type	2013/14	2014/15
	Audited Outcome	Actual
R thousand		
<u>Parent municipality</u>		
Securities - National Government	-	-
Listed Corporate Bonds	-	-
Deposits - Bank		8,000
Deposits - Public Investment Commissioners	-	-
Deposits - Corporation for Public Deposits	-	-
Bankers Acceptance Certificates	-	-
Negotiable Certificates of Deposit - Banks	-	-
Guaranteed Endowment Policies (sinking)	-	-
Repurchase Agreements - Banks	-	-
Municipal Bonds	-	-
Municipality sub-total	-	8,000

COMMENT ON BORROWING AND INVESTMENTS:

The Municipality did not raise external loan in 2014/15. The Municipality's cash position is monitored on a daily basis and any cash not required immediately to meet cash flow requirements is invested at approved institutions in strict accordance with Council's approved Cash and Investment Policy.

Chapter 5

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Municipality has policies and practices that comply with the guidelines set by the Supply Chain Management regulations of National Treasury. Kgetlengrivier Local Municipality has a fully operational Supply Chain Management System where no Councilors are part of either the Supply Chain Management process or the bid adjudication system.

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice. GRAP sets the rules and formats by which municipalities are required to maintain their financial accounts. Kgetlengrivier Local Municipality financial statements are fully GRAP compliant. The issues that arose in terms of unauthorised expenditure were fully reported upon in the Financial Statements and were mainly in respect of the revaluation of assets and in particular land and buildings

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

At the conclusion of 2013/2014 audit cycle, the AGSA made finding and recommendations impacting on fair presentation of Annual financial statements and non –financial performance information. Management considered all significant audit findings and associated MPAC resolutions in respect of 2013/2014 audit cycle and developed an audit improvement plan [AIP]. THE AIP contains remedial measures as detailed in Table 6.1. During 2014/2015 financial year, management continued to implement and monitor the AIP and recorded progress as shown in Column 6 of Table 6.1 and Figure 6.1.

6.1. COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS Year 2014/15

Report of the auditor-general to the North West provincial legislature and the council on the Kgetlengrivier Local Municipality

Report on the financial statements

Introduction

I have audited the financial statements of the Kgetlengrivier Local Municipality set out on pages XX to XX, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Auditor-general's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Property, plant and equipment

The municipality did not assess at each reporting date whether there is any indication that an asset may be impaired as required by GRAP 21 *Impairment on non-cash generating assets* as assets were found to be materially misstated due to the carrying amount of these assets exceeding its recoverable service amount. In addition, the municipality did not recognise all infrastructure and land assets in the current and prior period as the municipality did not maintain adequate records of all properties owned. I was unable to determine the full extent of the resulting misstatement, as it was impracticable to do so. Consequently, I was unable to quantify the adjustments relating to property, plant and equipment of R433 524 851 (2014: R447 897 243), the depreciation and amortisation expense of R32 685 586 (2014: R29 598 650), inventories of R47 239 213 (2014: 47 508 716), investment property of R21 691 043 (2014: R21 691 043) or the accumulated surplus of R439 590 650 (2014: R475 556 519) in the financial statements that were necessary.

Irregular expenditure

Section 125 of the MFMA requires the disclosure of irregular expenditure incurred. The municipality made payments of R5 258 928 (2014: R8 266 515) in contravention with the supply chain management requirements which were not included in irregular expenditure disclosed. Consequently, irregular expenditure as per note 42 to the financial statements is understated by R13 525 443 (2014: R8 266 515). As the municipality did not quantify the full extent of the irregular expenditure, it was impracticable to determine the resultant understatement of irregular expenditure as per note 42 to the financial statements.

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Qualified opinion

In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Kgetlengrivier Local Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with GRAP and the requirements of the MFMA and the DoRA.

Emphasis of matters

I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unauthorised and fruitless and wasteful expenditure

As disclosed in note 40 to the financial statements, unauthorised expenditure of R547 554 was incurred in the current year and the unauthorised expenditure in respect of prior years of R35 542 845 had not yet been dealt with in accordance with section 32 of the MFMA.

As disclosed in note 41 to the financial statements, fruitless and wasteful expenditure of R3 824 419 was incurred in the current year and fruitless and wasteful from prior years of R2 293 731 not yet been dealt with in accordance with section 32 of the MFMA.

Material losses

As disclosed in note 45 to the financial statements, material losses to the amount of R8 185 227 were incurred as a result of electricity units lost through the distribution process.

Restatement of corresponding figures

As disclosed in note 38 to the financial statements, the corresponding figures for 2014 have been restated as a result of errors discovered during 2015 in the financial statements of the municipality at, and for the year ended, 2014.

Additional matters

I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Unaudited supplementary schedules

The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these

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schedules and accordingly I do not express an opinion thereon.

Report on other legal and regulatory requirements

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2015:

Development priority 1: Basic service delivery on pages x to x

I evaluated the reported performance information against the overall criteria of usefulness and reliability.

I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priority. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).

I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

The material findings in respect of the selected development priority are as follows:

Development priority 1: Basic service delivery

Usefulness of reported performance information

Section 41(c) of the Municipal Systems Act requires the integrated development plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 21% of the reported indicators -and 26% of the reported targets were not consistent with those in the approved integrated development plan. This was due to a lack of oversight during the performance reporting processes throughout the year

The FMPPI requires that indicators be well defined and verifiable and targets be specific, measureable and time bound:

A total of 100% of the indicators were not verifiable.

A total of 38% of targets were not specific in clearly identifying the nature and required

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level of performance and were not measurable.

A total of 34% of indicators were not clearly defined so that data can be collected consistently and is easy to understand and use.

This was due to a lack of proper systems and processes, technical indicator descriptions and capacity constraints within the performance monitoring unit.

Reliability of reported performance information

The FMPPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations I considered necessary to satisfy ourselves as to the reliability of the reported performance information. This was due to limitations placed on the scope of our work due to the absence of information systems and the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance information and the auditee's records not permitting the application of alternative audit procedures.

Additional matter

I draw attention to the following matter:

Achievement of planned targets

Refer to the annual performance report on pages XX to XX for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected development priority reported in paragraphs XX to XX of this report.

Compliance with legislation

I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Strategic planning and performance management

The performance of the municipality were not assessed during the first half of the financial year, as required by section 72(1)(a)(ii) of the MFMA.

The performance management system and related controls were not maintained as it did not describe and represent the processes of performance monitoring, measurement, review, reporting and improvement and how it is conducted, organised and managed, as required by section 38 of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) and regulation 7 of the Municipal planning and performance management regulations.

Budgets

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Expenditure was incurred in excess of the limits of the amounts provided for in the votes of the approved budget, in contravention of section 15 of the MFMA.

Annual financial statements, performance and annual reports

The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected, which resulted in the financial statements receiving a qualified audit opinion.

Human resource management and compensation

The competencies of the senior managers were not assessed in a timely manner in order to identify and address gaps in competency levels as required by regulation 13 of the Municipal Regulations on Minimum Competency Levels.

The municipality did not submit a report on compliance with prescribed competency levels to the National Treasury and relevant provincial treasury as required by regulation 14(2)(a) of the Municipal Regulations on Minimum Competency Levels.

The annual report of the municipality did not reflect information on compliance with prescribed minimum competencies as required by regulation 14(2)(b) of the Municipal Regulations on Minimum Competency Levels.

Procurement and contract management

Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by regulation 17(a) and (c) of the Supply Chain Management (SCM) regulations.

Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by regulation 19(a) of the SCM regulations.

Expenditure management

Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Asset management

An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

Internal audit

The internal audit unit did not function as required by section 165(2) of the MFMA, in that it did not advise the accounting officer and report to the audit committee on matters relating to risk and risk management and loss control.

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Audit committee

The audit committee did not meet at least four times a year, as required by section 166(4)(b) of the MFMA.

Consequence management

Unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a)(ii) of the MFMA.

Authorisation of unauthorised expenditure was not done through an adjustment budget, as required by section 32(2)(a)(i) of the MFMA.

Environmental management

The municipality did not exercise its legislative and executive authority as required by the sections 11(3)(l) and (m) of the MSA by managing, monitoring and enforcing environmental related bylaws to promote a safe and healthy environment.

The municipality operated its waste disposal sites and wastewater treatment facilities without a license in contravention of section 20(b) of the National Environmental Management Waste Act, 2008 (Act No. 59 of 2008) (NEMWA), section 24(2)(a) of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) and section 22(1)(b) of the National Water Act, 1998 (Act No. 36 of 1998) (NWA).

The municipality's operational activities at its waste disposal sites and wastewater treatment facilities contravened or failed to comply with the regulatory norms and standards as required by sections 67(1)(f) and (h) of the NEMWA and section 151(1)(c) and (i) of the NWA.

The municipality's waste management and disposal activities contravened or failed to comply with the requirements of section 28(1) of the NEMA, section 19 of the NWA and sections 16(1)(c) and (d) and 26(1)(b) of the NEMWA.

Internal control

I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

Management's oversight did not adequately guide the financial and performance activities and failed to address all the shortcomings in internal controls that resulted in the material misstatements, service delivery matters and compliance deviations that have been reported. Furthermore the municipality did not have sufficient monitoring controls to ensure the proper implementation of the overall performance management system process of planning, budgeting, implementation and reporting.

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Financial and performance management

Management's internal controls and processes over the preparation and presentation of financial statements were not able to ensure that the financials were free from material misstatements.

Governance

Although the audit committee and internal audit was in place and complied with relevant legislation, their inputs were not implemented by the municipality. The internal audit has not been assisting the municipality with the draft of the risk assessment nor the compilation of an action plan in response to the prior year audit findings.

Rustenburg

30 November 2015



GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General performance indicators Key	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include

	finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery	Detailed plan approved by the mayor for implementing the

Budget Implementation Plan	municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Council Members	Full/Part time	Committee Allocated	Party Represented	NO: Council Meeting Attended	NO: Apologies for not Attending
Cllr Medupe O.D	F	Mayor/Speaker	ANC	6	None
Cllr Kgari A.V.R	P	MPAC, Finance, Community Services & Technical and Infrastructure	ANC	6	None
Cllr Zwede R.P	P	HR & Admin, Finance, Technical & Infrastructure	ANC	6	None
Cllr Molusi O.S	P	Technical & Infrastructure and LED & Planning	ANC	6	None
Cllr Molefe M.L	P	LED & Planning, MPAC & Community Services	ANC	6	None
Cllr Mogale D.J	P	Community Service & MPAC	ANC	6	None
Cllr Lekabe R.K	P	LED & Planning and Finance	ANC	6	None
Cllr Jacobs T	P	Technical & Infrastructure	ANC	6	None
Cllr Naledi G	P	Technical & Infrastructure	ANC	6	None
Cllr Snyman J.P	P	Finance, Technical & Infrastructure & MPAC	DA	6	None
Cllr Marais BvZ	P	MPAC, Technical & Infrastructure and Community Service	DA	6	None
Cllr Robinson P.S	P	LED & Planning	DA	5	1

Councillors are attending council meetings as required by the law. Those who are absent they sent written apology.

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APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

COMMITTEE	PURPOSE
MPAC	Oversight Role
LED & PLANNING	Local Economic Development and Town Planning
TECHNICAL & INFRASTRUCTURE	Service Delivery
COMMUNITY SERVICES	Provision of services to the community
HR ADMIN & FINANCE	Provision of Financial Leadership and matters affecting employees

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Directorate	Director Name [Tittle]
Finance	Mr. Ben Mothogoane
Corporate Services	Mr. Vusi Mtshengu
Technical and Infrastructure	Mr. Tertious Chiloane
Community Services	Mr. Patrick Kgosimore

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal Functions	Functions Applicable to Municipality
Air Pollution	Yes
Building Regulations	Yes
Child care Facilities	Yes
Electricity and Gas Reticulation	Yes
Fire Fighting Services	No
Local Tourism	Yes
Municipal Airports	Yes
Municipal Planning	Yes
Municipal Health Services	No
Municipal Public Transport	No
Municipal Public Works	Yes
Pontoons, Ferries, Jetties, Piers and Harbors	Yes
Storm water management Systems	Yes
Trading Regulations	Yes
Water and Sanitation	Yes
Beaches and Amusements	Yes
Billboards and display of Advertisements in Public Places	Yes
Cemeteries, Funeral Parlors and crematoria	Yes

Cleansing	Yes
Control of Public Nuisances	Yes
Control of undertaking that sell liquor to public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and Fences	Yes
Licensing of Dogs	Yes
Licensing of undertaking that sell food to the public	Yes
Local Amenities	Yes
Local Sports Facilities	Yes
Markets	Yes
Municipal Abattoirs	No
Municipal Parks and Recreation	Yes
Municipal Roads	Yes
Noise Pollution	Yes
Pounds	Yes
Public Places	Yes
Refuse Removal, Refuse Dumps and waste Disposal	Yes
Street Trading	Yes
Traffic and Parking	Yes

APPENDIX E – WARD INFORMATION

FUNCTIONALITY OF WARD COMMITTEES					
Ward Number	Name of Ward Councilor and committee members	Committee Established Yes/No	No of Monthly Committee Meeting 14/15	No of Monthly Reports submitted to Speaker	Number of Quarterly Public Meetings 14/15
01	Cllr T.Jacobs	Yes	4	15	4
02	Cllr Marais	Disbanded	0	0	1
03	Cllr Snyman	Yes	4	15	4
04	Cllr O.Molusi	Yes	4	15	4
05	Cllr V.Kgari	Yes	4	15	4
06	Cllr P.Zwede	Yes	4	15	4

APPENDIX F – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 0 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	K. Medupe	None
Councillor	A.V. Kgari	None
	O. Molusi	None
	D. Mogale	None
	G. Naledi	None
	R. Lekabe	None
	B. Marais	None
	P. Robinson	None
	R. Zwide	None
	T. Jacobs	None
	P. Snyman	None
	M. Molefe	None
Municipal Manager	B. Mothogoane	None
Chief Financial Officer	S. Ngwenya	None
Deputy MM and (Executive) Directors	V. Mtshengu	None
	T. Chiloane	None
	S. Nxumallo	None
	P. Kgosimore	None

APPENDIX G – AUDIT IMPROVEMENT PLAN

KGETLENGRIVIER LOCAL MUNICIPALITY

AIP Dashboard

Status as reported to ARCOM on 31 JULY 2015

Audit category	Findings	Number of findings	Status	
			Completed	In progress
CASH AND CASH EQUIVALENTS		3	3	0
CASH FLOW STATEMENT		1	1	0
COMMITMENTS		0	0	0
CONTINGENT LIABILITIES		1	1	0
EMPLOYEE RELATED COSTS		14	9	5
IT GENERAL CONTROLS		2	2	0
INTERNAL CONTROLS		4	2	2
IMMOVABLE ASSETS		7	3	4
LEASE		1	1	0
INVENTORIES		2	2	0
INVESTMENTS		1	1	0
MOVABLE ASSETS		7	5	2
OPERATING EXPENDITURE		5	4	1
PAYABLES		4	3	1
PREDERMINED OBJECTIVES		20	14	6
PROVISIONS		3	2	1
RECEIVABLES		4	3	1
RESERVES		1	1	0
REVENUE		8	6	2
TAXES		1	1	0
POLICIES/ COMPLIANCE/ NON SUBMISSION		13	6	7
SCM		10	10	0
IRREGULAR FRUITLESS AND WASTEFUL		1	0	1
		113	80	33
		100%	71%	29%

Audit finding	Action / Activities to address the finding	Responsible Official	Due Date
<p>Failure by Audit Committee to meet on Quarterly basis</p> <p>The audit committee was not fully effective during the year. The audit committee meet only two times during year.</p> <p>Non-compliance with the MFMA section 165 (2) (b) and 166 (1) subsection 6</p> <p>Non-compliance with the MFMA</p>	<p>Management will held a meeting with Chairpeson of the audit committee to outline the importance of having a minimum of 4 meeting in a year.</p> <p>Management will request audit committee chairperson to provide a schedule of annual meetings and ensure that the meeting took place.</p> <p>Municipality will also do a test to detemine if it will be able to appoint and fund its own audit committee.</p>	MM	Immediately
<p>:Risk assessment was not conducted for the year under review</p> <p>The Risk Management Strategy has resultantly not been updated and Risk Management Strategy does not address the following risk areas: • Risks related to the availability of future funding for new programmes or the continuation of current programmes assessed • The risks associated with technological advancements and developments. • Risks resulting from heavy reliance on contractors or other related parties to perform critical entity operations identified. • Risks associated with business process reengineering or redesign of operating processes.</p> <p>The internal audit unit did also not advise the municipality on risk/loss related matters. Management failed to implement risk management activities.</p>	<p>1. Management will ensure that Risk officer is appointed.</p> <p>2. during the process of appointment, management will request support from Provincial Treasury to assist in conducting the risk assessment and developing risk register.</p>	MM	31-Mar-16
<p>Municipality incurred expenditure not within approved limits of amounts.(COAF 8) Audit finding MFMA sec 87 Appropriation of funds for expenditure: A municipality may, except where otherwise provided in this Act, incur expenditure only— (a) in terms of an approved budget; and(b) within the limits of the amounts appropriated for the different votes in an approved budget.The municipality incurred expenditure not within the approved budget per vote for the following</p>	<p>Management will draft the motivation for overspending of budget with supporting documents and sent to council for adjustment. Once approved, 2014/15 budget will be adjusted.</p>	CFO	31-Mar-16

<p>No evidence for investigations conducted and attempt to recover unauthorised, irregular, fruitless and wasteful expenditure Audit finding In terms of the Municipal Finance Management Act 56 of 2003 section 32(2)(a)(i)(ii)(b), 'A municipality must recover unauthorised, irregular, fruitless and wasteful expenditure from the person liable for the expenditure unless the expenditure in case of unauthorised expenditure is authorised in an adjustment budget or certified by the municipal council after investigation by a council committee, as irrecoverable and written off by the council and in the case of irregular or fruitless and wasteful expenditure is after investigation by a council committee certified as irrecoverable and written off by the council.'No evidence was provided with regard to investigations conducted and attempt to recover the expenditures relating to unauthorised, fruitless and wasteful, Irregular expenditure as required by section 32(2)(a)(i)(ii)(b), Failure by management to conduct investigations and recover the moneyNon-compliance with laws and regulations</p>	<p>MPAC committee will ensure that irregular, fruitless and wasteful expenditure is investigated.</p>	<p>MPAC</p>	<p>31-Mar-16</p>
<p>Minimum competencies Audit finding Regulations on Minimum Competency Levels requirements not met.The competencies of the senior managers were not assessed in a timely manner in order to identify and address gaps in competency levels as required by Municipal Regulations on Minimum Competency Levels 13. The municipality did not submit a report on compliance with prescribed competency levels to the National Treasury and relevant provincial treasury as required by the Municipal Regulations on Minimum Competency Levels 14(2) (a). The annual report of the municipality did not reflect information on compliance with prescribed minimum competencies as required by the Municipal Regulations on Minimum Competency Levels 14(2) (b)/14(3).</p>	<p>The Municipality will ensure that the status report on municipal compliance with minimum competencies is submitted to National and Provincial treasury.</p>	<p>MM</p>	<p>28-Feb-16</p>
<p>SCM Processes - Selection of preferred bidder inconsistent with applicable laws and regulations. On inspection of supply chain management documentation, in particular the minutes of the bid adjudication committee for the awarding of the tender for the construction of internal roads in Reagile Phase 3 (KRLMTEC: 03-2014-15), it was noted that the bidder who scored the most points</p>	<p>Management will in future ensure that a though processess is understaken in order to establish whether services provider quoted low below estimated cost will be able finish the project.</p>	<p>CFO</p>	<p>Immediately</p>

<p>overall (Tau ya Mariri) was not selected. Instead the second best bidder (White Leopard Trading) was selected. The reasons provided for the selection of the second best bidder are that the bid price of Tau ya Mariri (R7 800 097.19) was 30.56% lower than the price estimated by the consultant (R11 233 169.86). It was noted however, that the bid price of White Leopard (R9 168 990.08) was also 18.38% lower than the consultant's estimated price. This has led to the decision of the bid adjudication committee being inconsistent with the provisions of the Preferential Procurement Policy Framework Act and the Preferential Procurement Regulations. Inadequate application of the provisions of the Preferential Procurement Policy Framework Act and the Preferential Procurement Regulations. Contravention of supply chain management laws and regulations with regards to the awarding of tenders.</p>			
<p>SCM - No disqualification requirements on the bid documents or bid invitation (COAF 9) Audit finding According to section 112(1) (e) of the Municipal Finance Management Act (MFMA) states:(1)The supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management, which must cover at least the following:(e) open and transparent pre-qualification processes for tenders or other bidsUpon inspection of the bid documentation received from the client, it was noted that the following bids were disqualified from further evaluation in the tendering process on grounds (disqualification requirements) not stipulated in the original bid documents or bid invitation.</p>	<p>Management will in future ensure that bid invitation and documentantion cleared stipulate the disqualification requirement.</p>	<p>SCM Manager</p>	<p>Immediately</p>

<p>SCM - Minimum of three quotations were not obtained from suppliers (COAF 9) Audit finding According to Supply Chain Management Regulation 12(1)(b), 16(a):12(1)(b) A supply chain management policy must subject to regulation 11 (2), provide for the procurement of goods and services by way of written or verbal quotations for procurements of a transaction value over R2000 up to R10 000 (VAT included).16(a) A supply chain management policy must stipulate the conditions for the procurement of goods or services through written or verbal quotations, which must include conditions stating that quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the municipality or municipal entity, provided that of quotations are obtained from providers who are not listed, such providers must meet the listing criteria in the supply chain management policy required by regulation 14(1)(b) and (c). (c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officerUpon inspection of the following invoices/purchases, it was noted that the minimum of three quotations were not obtained from procuring the goods and services and a motivation for deviating from supply chain management processes was not attached</p>	<p>Management will ensure that reasons/ motivation for not obtaining 3 quotes as required by SCM is included in the purchases.</p>	<p>SCM Manager</p>	<p>Immediately</p>
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<p>SCM - Two quotations received from suppliers with the same physical address (COAF 12) and not included in the deviation register. Audit finding According to section 38(1)(a)&(g)(i) of the Supply Chain Management Regulations: 38(1) A supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer; (a) to take all reasonable steps to prevent such abuse. (g)(i) to reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system. Tswello Communications was awarded bid for the supply and delivery of office furniture. Mogorosi Holdings with the same physical address (V15 Wedgewood Loft, Waterfall East, Rustenburg, North West, 0299) as Tswello Communications also submitted a quotation for the same address. Two quotations were received for the following transaction instead of 3 and also inspected the deviation register and it was not identified that the deviation was not disclosed.</p>	<p>Management will ensure that procedures and process are developed and implemented to identify suppliers in the municipal database with same address, same ID etc.</p>	<p>SCM Manager</p>	<p>Immediately</p>
<p>SCM - The supplier with the lowest price quote not selected (COAF 10) Audit finding According to section 62(1)(a), 65(1)(2)(a) of the Municipal Finance Management Act; 62(1)(a) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically. 65(1)(2)(a) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality. Maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds. Upon inspection of the following expenditure voucher, it was noted that the supplier whom the lowest quotation was obtained from (Renata Tyres & Mags), was not selected. Instead the price of R17 200 from Shorty's Tyres & Mags was selected and paid.</p>	<p>Management will ensure that in case where supplier fails to submit the required documents proper documentation and communication is included in the procurement.</p>	<p>SCM Manager</p>	<p>Immediately</p>

SCM: Only 1 quotation obtained Audit finding Supply Chain Management regulation section 12 (1) (b) states that goods and service of the value between R2 000 and R10 000 (including VAT) must be done through verbal or written quotation. Furthermore, section 16 (e) stipulates the conditions of the procurement of goods services through written and verbal which must include that if quotations was submitted verbally, the order may be placed only against written confirmation by the selected provider Section C records that formal price quotations be obtained for transactions of the values between R10 000 and R200 000. Contrary to the requirements of the SCM regulation, sufficient appropriate audit evidence could not be obtained to substantiate that at least 3 quotations were requested from the procurement of good and service for the following payments made to the suppliers:	Management will ensure that motivation and approval is obtained and attached for all procurement for less than 3 quotes.	SCM Manager	Immediately
SCM: Tax clearance certificate not provided Audit finding Supply Chain Regulations 13 (b) states the following 13. A supply chain management policy must state that the municipality or municipal entity may not consider a written quotation or bid unless the provider who submitted the quotation or bid - (b) has authorised the municipality or municipal entity to obtain a tax clearance from SARS that the provider's tax matters are in order. Tax clearance of the following supplier was not provided:	Management will ensure that tax clearance certificate from VAC 2 HP industrial cleaning is located or obtained from service provider and filled. Management will also ensure that no appointment or no payment to service provider without original valid clearance certificate.	SCM Manager	31-Mar-16
SCM: No supporting documents for the calculations of points Audit finding The PPPF requires that all bids to the value over and above R500 000 and be evaluated using the 90/10 preference point system and those that are below to the limit of R30 000 be evaluated using the 80/20 preference point system Contrary to the requirements as per the PPPF act, the appointment of the following supplier was not done through the normal process as prescribed by PPPFA. The contract amount paid for the contractor is below R200 000 and therefore should have been evaluated using the 80/20 principle. The following invoices that were submitted did not include any supporting documents for the evaluation of points:	Management will ensure that supporting documents for calculation of points is located and properly filed. Management will also ensure that all supporting documents accompanied the bids are properly filed in secured place/ archive. Management will also ensure that all bid documents are scanned to municipal server.	SCM Manager	31-Mar-16

<p>SCM: B-BBEE contribution not included in the calculation for points Audit finding PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000: PREFERENTIAL PROCUREMENT REGULATIONS, 2011 states the following Broad-Based Black Economic Empowerment Status Level Certificates (4) The B-BBEE status level attained by the tenderer must be used to determine the number of points contemplated in regulations 5 (2) and 6 (2). Based on the evaluation report submitted for calculation of points of Mogorosi holding (PTY) LTD, The B-BBEE contribution were not included in the calculation of points. This might be due to the fact that management saw that it's the only supplier who qualify for the bid and not take into consideration the inclusion of B-BBEE contribution. This might lead irregular expenditure of R 87 990</p>	<p>Management will ensure that BBBEE documents is obtained, filed and submitted to AG. Management will also ensure that all supporting documents accompanied the bids are properly filed in secured place/ archive. Management will also ensure that all bid documents are scanned to municipal server.</p>	SCM Manager	Immediately
<p>SCM: No approval of request for procurement of goods by the CFO/MM Audit finding In terms of SCM REG 5 The final decision on which quotation to accept must be made by an appropriately delegated official or committee. Inspected the supporting documents that was attached to the invoice and identified that there was no procurement of goods form which was approved by the CFO.</p>	<p>Management will ensure that approved request for goods documents submitted to AG. Management will also ensure that all supporting documents accompanied the bids are properly filed in secured place/ archive. Management will also ensure that all bid documents are scanned to municipal server.</p>	SCM Manager	Immediately
<p>SCM: Competitive bidding process not followed Audit finding Goods and services with a transaction value of more than R 200 000 or long-term contracts must be procured through a competitive bidding process (SCM reg. 19) Contrary to the regulation, management did not follow any bidding process for the following supplies.</p>			

Permits and operations of Waste Landfill Sites (COAF 11) Audit finding Kgetlengrivier Local Municipality continuously operate their waste disposal site(s) without waste management licenses or permits, in contravention with the requirements of section 20(b) of the NEMWA, 2008 (Act No. 59 of 2008), section 20(1) of the ECA, 1989 (Act No. 73 of 1989), or section 22 of the NWA, 1998 (Act No. 36 of 1998). Permit or permit applications could not be submitted for the following landfill (or dumping) site operated by Kgetlengrivier Local Municipality, also reported in 2012, 2013 and 2014		Bojanala District	
Illegal waste dumping (or land filling) and littering (COAF 11) Audit finding Kgetlengrivier Local Municipality's waste management and disposal activities continued to contravene or failed to comply with the requirements of section 28(1) (Duty of Care) of the NEMA, 1998 (Act No. 107 of 1998), Section 19 (Prevention and remedying effects of pollution) of the NWA, 1998 (Act No. 36 of 1998, and sections 16(1)(c) & (d) (Duties of the holder of waste) and 26(1)(b) (Prohibition of unauthorised disposal) of the NEMWA, 2008 (Act No. 59 of 2008). The requirements of section 26(1) (Prohibition of unauthorized disposal) and 27 (1) and (2) (measures to control littering) of the NEMWA are also not adhered to. Unauthorised waste disposal activities incur, whilst waste is not disposed in the most environmentally and economically feasible manner. During physical visits performed on 1-3 September 2015 illegal dumping practices noted and still continued within the municipality's jurisdiction area. Furthermore, no designated Waste Management Officer was appointed as required by section 10 of the NEMWA to assist in the implementation and requirements of the Act. Non-compliance with Laws and regulations		Bojanala District	

<p>PPE: Completeness of Land & Building, Infrastructure Assets. (COAF10) Audit finding Section 63(1) of the MFMA states that the accounting officer of a municipality is responsible for the management of—(a) the assets of the municipality, including the safeguarding and the maintenance of those assets; and (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure—(a) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality; Paragraph .110 of GRAP 07 states: that “the cost of an item of property, plant and equipment shall be recognised as an asset if, and only if: (a) it is probable that future economic benefits or service potential associated with the item will flow to the entity, and (b) the cost or fair value of the item can be measured reliably”. During our audit the following assets were omitted in the Fixed Asset Register as per the tables below: Infrastructure Assets, excluding roads. Roads. Land & Buildings.</p>	<p>Management will ensure that all assets complying with the definition of assets as per Grap 17 are properly identified and captured in the assets register.</p>	<p>SCM Manager and Assets manager</p>	<p>31-May-16</p>
<p>PPE: Impairment of immovable assets not in a working condition, shall annually report to the council, not later than in July, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance may have on the useful operating life of the asset concerned.” And; “If no such plans have been formulated or are likely to be implemented, the chief financial officer shall determine the useful operating life of the fixed asset in question, if necessary in consultation with the head of department controlling or using such asset, and shall recalculate the annual depreciation expenses accordingly.” During our physical verification of assets, we noted clear evidence of assets not in a working order or in a state of deterioration that significantly affects their abilities to be used as intended. According to our Professional Judgement these assets have no remaining useful life left as the assets cannot be used for its intended purpose and therefore should have been considered for impairment. The below assets are not in a working order or in a state of deterioration that significantly affects their abilities to be used as intended (Values exclude the land the assets are located on):</p>	<p>Management will ensure that verification of all immovable properties is fully performed to identify all the assets of the municipality, assets not in good condition, assets stolen etc. Assets not in good condition will be assessed for impairment and write off or adjust in the assets register.</p>	<p>Assets Manager</p>	<p>31-May-16</p>

<p>Completeness of land and buildings Audit finding In terms of the MFMA 56 of 2003: Section 63(2) (b) of the MFMA states that: "The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure that the municipality's assets and liabilities are valued in accordance with standards of Generally Recognised Accounting Practice."Based on the number of properties listed in the valuation roll and identified from the deed search it appears that land and buildings are materially understated in the AFS (PPE, Investment property and Inventory).</p>	<p>Management will ensure that dead search is performed to identify all the assets belong to the municipality. All the assets belong to municipality per dead search will be investigated to determine whether is genuinely belong to municipality and captured in the assets register. Reconciliation will be performed between assets register and dead search to ensure the 2 reconcile. Variance will be investigated and corrected.</p>	Assets manager	31-May-16
<p>Expenditure management Audit finding</p> <p>1. 1. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the Municipal Finance Management Act.</p> <p>Lack of funds</p> <p>Non-compliance with the MFMA</p>	<p>Municipality is in the process of finalising the revenue enhancement strategy that will assist the municipality in improving its revenue collection and other finances of the municipality.</p>	CFO/ Revenue manager	30-Apr-16

<p>AOPO: Information requested for AOPO not submitted for audit (COAF 12) Audit finding Section 62 (1) of the MFMA states that: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure — (c) that the municipality has and maintains effective, efficient and transparent systems— (i) of financial and risk management and internal control;" Request for information was submitted on 30 October 2015 and as at 5 November 2015 the following still outstanding: 1 - Personnel to assist with the system descriptions for Performance objectives. (We could not confirm whether management maintained or monitored the data assurance procedures such as data collection, processing and monitoring procedures.) 2- Documented proof in regards to the submission by the municipality of the SDBIP to National Treasury e.g. a copy of an email or acknowledgement of receipt 3- Documented proof in regards to the submission by the municipality of the mid-year performance assessment to National Treasury e.g. a copy of an email or acknowledgement of receipt Lack of internal controls.</p>	<p>Disagree with auditors finding: 1. - PMS coordinator Mr. Lawrence Motlhamphe is responsible for the performance information and to assist AG. 2. - Proof of submission of SDBIP: proof was submitted to Auditor General via e mail and in hard copy. Refer to the attached copy of e mail. 3. - No mid-year performance assessment was done by municipality</p>		
<p>AOPO: Indicators are not verifiable Audit finding National Treasury Framework for Managing Programme Performance Information states the following: A good performance indicator should be 'verifiable': it must be possible to validate the processes and systems that produce the indicator Regulation 9. Setting of key performance indicator – (1) (a) A municipality must set key performance indicator, including input indicators, output indicators and outcome indicators, in respect of each of the development priorities and objective referred to in section 26(c) of the MSA Act. (b) A key performance indicator must be measurable, relevant, objective and precise. 1. It was not possible to verify the processes and systems that produce the indicators for 100% of indicators</p>	<p>Management will ensure that the indicators are clearly defined, verifiable and measurable in the adjusted SDBIP for 2015/16 financial.</p>	<p>PMY Coordinator: Lawrence Motlhamphe</p>	<p>28-Feb-16</p>

<p>Projects: Overspending on contracted amount Audit finding MFMA 65: Expenditure management.—(1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.(2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure a. that the municipality has and maintains a management, accounting and information system which—b. recognises expenditure when it is incurred; accounts for creditors of the municipality; and accounts for payments made by the municipality.</p>	<p>Management will ensure that in instances where contract prices have increased, variation order is completed and approved by MM in terms of circular issued by National Treasury.</p>	<p>SCM Manager</p>	<p>Immediately</p>
<p>Leave days captured in the system are not reviewed for correctness Audit finding In terms of section 95(c) (i) General financial management functions of accounting officers.—The accounting officer of a municipal entity is responsible for managing the financial administration of the entity, and must for this purpose take all reasonable steps to ensure— that the entity has and maintains effective, efficient and transparent systems— of financial and risk management and internal control During the obtaining of the understanding of the business processes phase, that even though controls are put in place for capturing leave on the system, there is a lack of segregation of duties. The system provided by management:1) After receiving and capturing the manual leave form on the system (by Mrs Mullet), the leave form is numbered in terms of the number of leave forms to date per employee (in their file).2) As a month end procedure, a report is drawn from VIP which lists all leave taken which is referenced to the number of the leave form.3) All entries on the report are then again reviewed against the leave forms on file by Mrs Mullet. The control recommendation was issued based on the fact that Mrs Mullet reviews her own work which may lead to errors being missed or overlooked due to a lack of segregation of duties. Formal controls over IT systems to ensure reliability, availability and accuracy of information were not designed Not reviewing leave days captured in the system will result to incorrect leave provisions being calculated due to incorrect information captured in the system.</p>	<p>Management will ensure that leave captured on the system is captured by Payroll Officer and reviewed and approved by Expenditure manager.</p>	<p>CFO</p>	<p>Immediately</p>

<p>Employee Costs - No performance agreement (COAF 9) Audit finding In terms of the Municipal Systems Act 32 of 2000, Section 57, states – 1) A person to be appointed as the municipal manager of a municipality, and a person to be appointed as a manager directly accountable to the municipal manager, may be appointed to that position only— in terms of a written employment contract with the municipality complying with the provisions of this section; and subject to a separate performance agreement concluded annually as provided for in subsection (2). The performance agreement referred to in subsection (1) (b) must— (i) be concluded within 60 days after a person has been appointed as the municipal manager or as a manager directly accountable to the municipal manager, failing which the appointment lapses: Provided that, upon good cause shown by such person to the satisfaction of the municipality, the appointment shall not lapse; and be concluded annually, thereafter, within one month after the beginning of each financial year of the municipality; There is no performance agreement for the following officials:1. • Mr. SH Nxumalo (P0329)2. • Mrs. NV Motsatsi-Kalil (P0401) Non-compliance with policies and proceduresUnauthorised expenditure with regards to performance bonus.</p>	<p>Management will ensure that in instances where senior official joined the municipality, performance agreement in line with SDBIP is drawn and duly signed with official concern.</p>	<p>MM</p>	<p>Immediately</p>
<p>Employee Costs - No monthly reconciliation is performed between budgeted and actual expenditure for payroll expenditure (C Audit finding Municipality does not perform reconciliation between budgeted and actual expenditure for payroll expenditure.Monthly reconciliation are not performedMisstatements in the AFS</p>	<p>Management will ensure that monthly reconciliation between actual expenditure and budget performed by the system is properly reviewed and signed as evidence of reviewed.</p>	<p>CFO</p>	<p>Immediately</p>

<p>Employee Costs - No explanations for differences on monthly reconciliation performed between the VIP system and the finance</p> <p>Audit finding In terms of MFMA Section 62 (1) the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure— that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.</p> <p>The municipality performed the monthly reconciliation between the payroll system and the financial system however failed to give explanation on the monthly differences identified, refer to the following:</p>	<p>Municipality will ensure that monthly reconciliation between VIP and GL is performed on timely basis and variance identified be investigated, corrected and reasons be documented.</p>	<p>Payroll Officer</p>	<p>Immediately</p>
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<p>Employee Costs - Non-compliance with GRAP 20 (Disclosure note for Remuneration of councillors.) (COAF 10) Audit finding In terms of Municipal System Act 32 of 2000, Section 60(1) (b), which states: (1) The following powers may, within a policy framework determined by the municipal council, be delegated to an executive committee or executive mayor only, (b) the determination or alteration of the remuneration, benefits or other conditions of service of the municipal manager or managers directly responsible to the municipal manager. And Grap 20 par 10 and 35: An entity shall disclose the remuneration of management per person and in aggregate, for each class of management, in the following categories: (a) fees for services as a member of management; (b) basic salary; (c) bonuses and performance related payments; (d) other short-term employee benefits; (e) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care; (f) termination benefits; (g) other long-term benefits; (h) any commission, gain or surplus sharing arrangements; and (i) any other benefits received. Based on GRAP 20 which is not effective but allowed by Directive 5, the municipality did not comply with the requirement for presentation and disclosure of remuneration of councillors as the note for remuneration of councillors was not disclosed per person and in aggregate.</p>	<p>This matter was corrected during adjusted AFS. Refer to adjustment AFS submitted to AG.</p>		
<p>Employee Costs - No accrual expense was raised for PAYE made in the last month. (COAF 10) Audit finding Section 62 of MFMA - (1) :The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems— (c) Of financial and risk management and internal control; An accrual was not made in the GL and TB for PAYE for the last month of the year (payable on the 7th of the next month) and the expenses for the first month of the year under review were not written back against the accrual made in the previous year hence the list below is provided for July 2014 and June 2015, refer to the table below:</p>	<p>Management will ensure that PAYE for 2014/15 financial year is adjusted and accrued as at 30 June 2015. Comparative amount will be adjusted.</p>	<p>CFO</p>	<p>30-Jun-16</p>

Employee Costs - Payroll amounts(Employers contributions) does not agree to the GL (COAF 10) Audit finding As per the Municipal Finance Management Act, section 62 states that: "General financial management function: The accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure- (c) that the municipality has and maintains effective, efficient and transparent systems- of financial and risk management and internal control;.....";There are differences identified between the payroll and the GL in respect of contributions made by municipality:	Management will ensure that VIP and GL account are correctly mapped. Month end journals from VIP to GL will be reviewed to ensure that both system balance.	Payroll Officer	31-Mar-16
Employee Costs - Skills development levy amount in the AFS does not agree with the listing. (COAF 10) Audit finding As per the Municipal Finance Management Act, section 62 states that: "General financial management function: The accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure-(c) that the municipality has and maintains effective, efficient and transparent systems- of financial and risk management and internal control;....."Below is the difference identified between the amounts reported in the financial statement and the listing for SDL:	Management will ensure that VIP and GL account are correctly mapped. Month end journals from VIP to GL will be reviewed to ensure that both system balance.	Payroll Officer	31-Mar-16
Employee Costs - No explanation for unusual transactions. (COAF 10) Audit finding In terms of MFMA Section 62(1) the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure— that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.Management fails to give explanation for the following and unusual transactions, refer to the following:	Municipality will ensure that monthly reconciliation between VIP and GL is performed on timely basis and variance identified be investigated, corrected and reasons be documented.	Payroll Officer	31-Mar-16

<p>Employee Costs - Differences identified in Payroll and GL for councillors remuneration (COAF 10)</p> <p>Audit finding Section 62 of MFMA - (1) :The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems— (c) Of financial and risk management and internal control;</p> <p>Below is the difference identified between the councillors' remuneration amount as per GL/AFS and VIP:</p>	<p>Management will ensure that VIP and GL account are correctly mapped. Month end journals from VIP to GL will be reviewed to ensure that both system balance.</p>	<p>Payroll Officer</p>	<p>31-Mar-16</p>
<p>No secure off-site backup/storage facility Audit finding Section 62 (1) of the MFMA states that: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure — (c) that the municipality has and maintains effective, efficient and transparent systems— (i) of financial and risk management and internal control;"During the audit it was identified that the municipality does not have off-site storage facility for backupsLack of proper disaster recovery proceduresInability to recover data after loss occurs due to system failures, data deletion or data corruption</p>	<p>Management will ensure that negotiation will financial system providers are finalised as soon as possible for the provision of external back up facility for both Vesta and VIP.</p>	<p>Cooperate Director</p>	<p>Immediately</p>
<p>The performance of external services providers were not measured in the Annual Report Audit finding According to Municipal System Act sec 46 (1) states that "A municipality must prepare for each financial year a performance report reflecting- (a) the performance of the municipality and of each external service provider during that financial year;" The municipality did not include the performance of each service provider in the annual performance report. Non-compliance to the laws and regulation applicable to performance information by the municipality Non-compliance with MSA sec 46(1)</p>	<p>Management will ensure that the performance of external service provider is properly outlined in 2014/15 Annual report.</p>	<p>PMS: Lawrence Motlhampe</p>	<p>31-Jan-16</p>

<p>Ongoing monitoring of internal controls not in place Audit finding Section 62(1)(c) states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The municipality does not have a strategy to ensure that on-going monitoring is effective and which will trigger separate evaluations where problems are identified or systems which are critical and for which testing is periodically desirable. Consider the following:</p> <ul style="list-style-type: none"> • Lack of routine feedback and monitoring of performance and control objectives. • Lack of methods to emphasise to programme and operational managers that they have responsibility for internal control and that they should monitor the effectiveness of control activities as a part of their regular duties. • Lack of methods to emphasise to programme managers their responsibility for internal control and their duties to regularly monitor the effectiveness of control activities. • Lack of identification of critical operational and mission support systems that need special review and evaluation. • Lack of plan for periodic evaluation of control activities for critical operational and mission support systems. <p>Entity personnel do not obtain information about whether internal control is functioning properly.</p> <ul style="list-style-type: none"> • Operating reports are not integrated or reconciled with financial, budgetary and performance reporting system data and used to manage operations on an on-going basis, to make management aware of inaccuracies or exceptions that could indicate internal control problems. <p>Management comments and follow up action was not undertaken on internal audit reports issued during the year. Meetings with employees are not used to provide management with feedback on whether internal control is effective. The effect of ethical and moral behaviour on the control environment was not considered. Municipal staff are not aware of the ethical and moral behaviour expected of them which impacts on the general control environment. Internal control deficiency Leadership Management did not provide for effective leadership based on a culture of honesty, ethical business</p>	<p>Management will ensure that code of ethics is developed, implemented and clearly communicated to all the staff.</p>	<p>Cooperate Director</p>	<p>Immediately</p>
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practices and good governance, protecting and enhancing the best interests of the entity through: <ul style="list-style-type: none"> • A formal code of ethics which clearly communicates ethical values to all staff members. • A formal code of conduct which clearly communicates good governance to all staff members. 			
Employee costs - No signed employment contract and Performance contract Audit finding In terms of GNR 1438_13 Nov 1998_General Administrative Regulations (BCEA regulations) section 29(1) a-p Written particulars of employment.—(1) An employer must supply an employee, when the employee commences employment, with the following particulars in writing— h) any other cash payments that the employee is entitled to; i) any payment in kind that the employee is entitled to and the value of the payment in kind. There was no employment contract for Mr. L Mosadi (Building Control Officer) included in the file, the employee was appointed on 05 February 2015. There were no signed employment contracts for the appointed employees hence we could not determine the benefits or allowances (Travel, cell phone, housing, professional and acting allowances) entitled to designated employees.	Management will ensure that all the employees signed the employment contract before the commencement of duties. Management will also ensure that all outstanding contract are entered into and signed with employee and properly filed in archive and in server. Management will also ensure that performance contract are entered in to will employees at the start of each annual financial year and performance is evaluated on quarterly basis.	Cooperate Director	30-Apr-16
Internal Audit charter is not approved by audit committee Audit finding In terms of section 95(c) (i) General financial management functions of accounting officers.—The accounting officer of a municipal entity is responsible for managing the financial administration of the entity, and must for this purpose take all reasonable steps to ensure— that the entity has and maintains effective, efficient and transparent systems— of financial and risk management and internal control Through inspection of the internal audit charter it was identified that the internal audit charter was not approved by the chairperson of the audit committee Audit committee failed to review the internal audit charter Non-compliance with law and legislation	Management will ensure that audit committee charter is annually reviewed and approved by audit committee.	Internal Auditor	Immediately

Employee costs - Leave not captured on the system timeously (COAF 6) Audit finding In terms of section 20(10) (a) of the Basic Conditions of Employment Act (BCEA), 1997 (Act No. 75 of 1997) states that "Annual leave must be taken in accordance with an agreement between the employer and employee."In terms of municipal leave policy paragraph 3.3 and 3.4 States that: Employees are required to apply for annual leave at least 7 working days prior to the commencement of the planned leave. All leave application must be approved by relevant line manager five (5) days before the commencement of the leave. For the following employees leave was not captured timeously on the system, refer to the following:	Management will ensure that no leave is take prior to approval and all approved leave forms are submitted to payroll section on monthly basis before salary run. Reminder e mails will be circulated to all responsible officials for submission prior to salary to ensure correct calculation of leave provision.	CFO	Immediately
Employee costs - Minimum of annual leave taken (COAF 6) Audit finding In terms of section 20(10) (a) of the Basic Conditions of Employment Act (BCEA), 1997 (Act No. 75 of 1997) states that "Annual leave must be taken in accordance with an agreement between the employer and employee."And in terms of SAGBC Collective Agreement on Condition of Services par 3.1.2 which states that: an employee is required to take leave within each leave cycle as follows: 3.1.2.1 A five (5) day worker shall take a minimum of sixteen (16) days leave and 3.1.2.2 a six (6) day worker shall take a minimum of nineteen (19) days leave. It was noted that the following employees did not comply with the requirement, refer to the following:	Management will ensure that written arrangement is entered into with employee performing essential service. Communique will also be circulated to all the employees to remind them to comply with the minumum leave as per sec 20(10) of the BCEA by taking at least minimum of 7 days per year and also bearing in mind that at time of retirement only 48 days can be apid out and rest is elapsed.	Cooperate Director	Immediately

<p>Compliance:Section 32 of the MFMA reporting responsibilities not met (COAF 7) Audit finding In terms of the Municipal Finance Management Act 56 of 2003 section 32(4)(a)(b)(c)(i)(ii), 'The accounting officer must promptly inform the mayor, the MEC for local government in the province and the Auditor-General in writing of any unauthorised, irregular, fruitless and wasteful expenditure incurred by the municipality whether any person is responsible or under investigation for such unauthorised, irregular, fruitless and wasteful expenditure and the steps that have been taken to recover or rectify such expenditure and to prevent a recurrence of such expenditure.' 1. During the audit of Unauthorised, Irregular, Fruitless and Wasteful expenditure, it was noted that the municipality did not report any instances of unauthorised, irregular, fruitless and wasteful expenditure as required by section 32 (4) of the Municipal Finance Management Act 56 of 2003 to the MEC of local government and the Auditor General , nor was a disciplinary board established to:a) investigate allegations of financial misconduct; andb) monitor the institution of disciplinary proceedings against an alleged transgressor. 2. In addition, unauthorised expenditure was not authorised through an adjustment budget. There is no monitoring tool to ensure that reports to be submitted as required by section 32(4) of the Municipal Finance Management Act 56 of 2003 are timeously submitted. Non-compliance with section 32(2)(a)(i)(ii)(b) and section 32(4)(a)(b)(c)(i)(ii) of the Municipal Finance Management Act 56 Of 2003.</p>	<p>Management will ensure that quarterly SCM report detailed irregular, fruitless and wasteful expenditure are submitted to National Treasury, provincial treasury, auditor general and local government.</p>	<p>SCM Manager</p>	<p>Immediately</p>
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<p>Employee Costs - Employees who do not qualify to claim overtime (COAF 11) Audit finding In terms of BCEA, Chapter 12, Section 10(1) (a), Subject to this Chapter, an employer may not require or permit an employee to work; overtime except in accordance with an agreement;In terms of Municipality Overtime Management Policy par 3(a) which states: The following general considerations must be taken adhered to: • Section 57 Managers of the municipality must be excluded from overtime work. • Managers and other supervisors earning more than R115 000 per annum do not qualify to claim overtime work. The following officials earn more than R115 000 per annum and were compensated on the overtime worked, refer to the following:</p>	<p>Management will ensure that no employee who are not eligible to claim overtime is paid overtime. VIP will be programme to decline payment to such employees. Minimum requirement will also be adjusted with percentage of annual salary increment to be in line with the salary scale.</p>	Payroll Officer	Immediately
<p>Employee costs - Overtime paid exceeds 30 per cent of the employee's monthly salary(COAF 8) Audit finding In terms of BCEA, Chapter 12, Section 10(1) (a), Subject to this Chapter, an employer may not require or permit an employee to work; overtime except in accordance with an agreement;In terms of Public service regulations D.2 (d) except in exceptional circumstances, the monthly compensation for overtime constitutes less than 30 per cent of the employee's monthly salary. These employees worked overtime and were compensated more than 30% of a monthly salary, refer to the following:</p>	<p>Management will ensure that processes are put in place to ensure that overtime claimed and paid in one month does not exceed 30% of annual salary. VIP system will be programmed to decline payment of overtime in excess of 30%.</p>	Payroll Officer	Immediately
<p>Employee Costs - Overtime hours exceeds 40 hours.(COAF 8)</p> <p>Audit finding In terms of BCEA, Chapter 12, Section 10(1) (a) (b), Subject to this Chapter, an employer may not require or permit an employee to work; overtime except in accordance with an agreement; and more than ten hours' overtime a week.</p> <p>Overtime hours for the following employees were more than 40 hours:</p>	<p>Management will ensure that processes are put in place to ensure that overtime claimed and paid in one month does not exceed 40 hours per month. VIP system will be programmed to decline payment of overtime in excess of 40 hours per month.</p>	Payroll Officer	Immediately

<p>Employee Costs - No authorisation given prior to overtime worked.(COAF 8) Audit finding In terms of BCEA, Chapter 12, Section 10(1) (a), Subject to this Chapter, an employer may not require or permit an employee to work; overtime except in accordance with an agreement;In terms of Municipal Overtime Policy Section 3, par (b) and (c), states: Request for overtime must be submitted by the Supervisor to the Head of Department and must contain the following, motivation on the reasons for the performance of the overtime, the Head of Department must ensure that overtime is approved in advance.In terms of Public Regulations Act, D.5 (b), (e) and (f) states: An executing authority shall establish an overtime policy in accordance with collective agreements, which shall determine – (b) The circumstances under which a supervisor may authorise overtime work for an individual employee; (e) how a supervisor should record authorisation for overtime; and (f) other control measures, if necessary. There was no prior authorisation and motivation to work overtime for overtime received by the following employees:</p>	<p>Management will ensure that no overtime is worked without prior approval. Payroll officer will be informed that no payment should be done without approved overtime form. Management will ensure that overtime form is approved subsequently in cases of emergencies.</p>	<p>Payroll Officer</p>	<p>Immediately</p>
<p>Consumer debtor was not charged interest as required.(COAF 8) Audit finding PART 12: INTEREST ON ARREARS AND OTHER PENALTY CHARGES1. Interest shall be charged on all arrear accounts at a rate determined by Council from time to time. Interest shall be calculated on a daily basis. For purposes of determining arrear amounts, all amounts unpaid including interest previously raised and penalty charges, but excluding value added tax, shall be taken into account. The following interest and penalty charges shall be raised:1. charges for collecting arrear rates 2. charges for disconnection or restriction of services 3. charges for reconnection or reinstatement of services 4. charges for notices of default and other correspondence 5. penalty charges for illegal reconnections 6. penalty charges for dishonoured and other unacceptable cheques/debit orders During the audit it was discovered that the outstanding debt of R52,191.49 for consumer debtor number 3325 Stroebel GJ was not charged an interest amounting to R5 349.64 as required by the credit control and debt collection.</p>	<p>Management will ensure that when tenant moving out and the account is in arrears, services will be blocked and account continue accruing interest. Management will also ensure that financial system is fully programmed to performed the exercise.</p>	<p>Revenue Manager</p>	<p>Immediately</p>

<p>Bank accounts submitted to National Treasury after financial year has started (COAF 9) Audit finding MFMA Sec 9 (b) Bank account details to be submitted to provincial treasuries and Auditor-General.— The accounting officer of a municipality must submit to the relevant provincial treasury and the Auditor-General, in writing—annually before the start of a financial year, the name of each bank where the municipality holds a bank account, and the type and number of each account. 1. Contrary to the requirements of MFMA chapter 9 (b), the municipality submitted their banking details to National Treasury after the financial year has already started. 2. The following bank accounts belong to the municipality and not all of them were included in the annual listing of all bank accounts;</p>	<p>Management will ensure that all the municipal bank accounts are submitted to National treasury, provincial treasury and AG before the start of each annual year.</p>	<p>Budget Officer</p>	<p>30-Jun-15</p>
<p>Employee Costs - Standby allowance and shift allowance details (COAF 10) Audit finding In terms of GNR 1438_13 Nov 1998_General Administrative Regulations (BCEA regulations) section 29(1) a-p Written particulars of employment.—(1) An employer must supply an employee, when the employee commences employment, with the following particulars in writing— h) any other cash payments that the employee is entitled to; i) any payment in kind that the employee is entitled to and the value of the payment in kind. Section 62 (1)(b) of the Municipal Finance Management Act (MFMA) states: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards" Employees received standby allowance however, there is no contract of employment, appointment letter, policy and standby allowance authorisation form, to ensure that an employee is authorised and eligible to receive standby allowance in terms of the agreement between the municipality and the employee, refer to the following table and also refer to the details/issues column for each employee specified below</p>	<p>Management will ensure that all employees has employment contracts which detailed all the benefits that employee is entitled to.</p>	<p>Cooperate Director</p>	<p>31-May-15</p>

Employee Costs - MEC Not notified about MM suspension (COAF 10) Audit finding Disciplinary regulations for senior managers Reg. 6(5) (b) stated that: the municipal council must inform the minister and the MEC responsible for the local government in the province where such suspension has taken place, must be notified in writing of such suspension and the reason for such within a period of seven (7) days after such suspension Reg. 19(3) (1) state that municipalities must provide quarterly report on the status of disciplinary cases to the MEC responsible for local government in the province There's no evidence that the council informed the MEC for local government of the suspension within a prescribed period and also there's no evidence that the municipality provided quarterly report on the status of disciplinary cases to the MEC.Non-compliance with Disciplinary regulations for senior managers Reg. 6(5) (b) Unfair suspension	Management will ensure that MEC for Local government is timely notify in instance of the suspenssion of MM.	Cooperate Director	
Non submission of main contract of Cab Holdings Audit finding MFMA section 74 (1); The accounting officer of a municipality must submit to the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required. The main contract/ master version of CAB Holding could not be obtained for audit purposes, as per RFI 1 issued on 25 August 2015 .Information not submitted.This could lead to a limitation of scope.	Municipality will ensure that a copy of contract between Cab holding and municipality is located, submitted to AG and properly kept in file/ archieve and scanned to municipal server.	SCM Manager	31-Mar-15
Non submission of contract and Correspondence from Treasury Audit finding MFMA section 74 states that the accounting officer of a municipality must submit to the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required. Contrary to the MFMA requirement, the extension/ new contract for Corporate Payroll Institution (CPI) was not submitted for audit as the contract submitted expired in 28 February 2011 and the correspondence for IMQS from Treasury was not submitted. This could be as a result of non-availability of informationThis might result in a limitation of scope	Municipality will ensure that new/ extention contract is entered into with CPI and properly signed by both parties.	CFO	31-Mar-16

SCM Policy - Non-compliance with Municipal Supply Chain Management regulations. (COAF 7) Audit finding Section 15(a) of the Supply Chain Management Regulations states: "A supply chain management policy must stipulate the conditions for the procurement of goods by means of petty cash purchases referred to in regulation 12(1) (a), which must include conditions determining the terms on which a manager may delegate responsibility for petty cash to an official reporting to the manager." On inspection of the supply chain management policy of the municipality, it was noted that the policy does not stipulate conditions which determine the terms on which a manager may delegate responsibility for petty cash to an official reporting to that manager. Therefore the municipality is non-compliant with regards to section 15(a) of the supply chain management regulations. No monitoring of compliance with laws and regulations. Contravention of municipal supply chain management regulations.	Municipality will ensure that petty cash management policy is reviewed and clearly detailed the delegation of petty cash duties by management to the support staff.	SCM Manager	31-Mar-16
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<p>Employee Costs - Overpayment to councillors and mayor on allowance for mobile data card (COAF 9) Audit finding In terms of MFMA Section 122 (1)(a)(b), which states: (1) every municipality and every municipal entity must for each financial year prepare annual financial statements which— fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year; and disclose the information required in terms of sections 123, 124 and 125.And Section 124 (1) (a) of the MFMA which further states: The notes to the annual financial statements of a municipality must include particulars of the salaries, allowances and benefits of political office-bearers and councillors of the municipality, whether financial or in kind, including a statement by the accounting officer whether or not those salaries, allowances and benefits are within the upper limits of the framework envisaged in section 219 of the Constitution;Furthermore, MFMA No: 56. For 2003 section 62(1) (c) (i) states that: General financial management functions.— The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;"And Determination of upper limits of salaries, allowances and benefits of different members of municipal councils, par 12 states: In addition to the annual total remuneration packages provided for in items 5 and 9 respectively, a councillor may obtain a fixed allowance of not more than R300 per month for use of mobile data cards.It was noted that councillors and mayor received back pay as per the Determination of upper limits of salaries, allowances and benefits of different members of municipal council in June 2014 for 13/14 Financial Year, however the back pay for mobile data cards was incorrectly calculated, which resulted in councillors and mayor being overpaid, refer to the following:</p>	<p>Management will recalculate all back payments with regards to use of mobile data by councillors in terms of upper limits and recover overpayments from councillor's allowance. Arrangements will enter into with councillors concern.</p>	<p>CFO</p>	<p>31-Mar-15</p>
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SCM - No evidence of quotation register to record quotes sourced verbally or in writing (COAF 9) Audit finding According to Supply Chain Management Regulation 5, 16(d):A supply chain management policy must stipulate the conditions for the procurement of goods and services through written or verbal quotations, which must include conditions stating that the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices. Upon inspection of the following documents, it was noted that the names of providers from whom quotations were received, were not recorded, together with their quoted prices.	Municipality will ensure that quotation register is developed in terms of SCM regulations and treasury circulars. All quotations obtained by municipality will be registered.	SCM Manager	Immediately
SCM - Total payments exceeded the original quoted amount. (COAF 9) Audit finding According to section 65(1) (2) (a) of the Municipal Finance Management Act: The accounting officer of a municipality is responsible for the management of the expenditure of the municipality. The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds. Upon inspection of the following invoices and related quotations, it was noted that the total payments made exceeded the original quoted amount. Further inspection of the supporting documentation revealed that the payment was not authorised nor approved by an appropriately delegated official.	Management will recover the overpayment from services provider.	Expenditure officer	31-Mar-16
SCM - Unsolicited bids not compliant with SCM regulations (COAF 9) Audit finding According to section 37(3) (a) (b) (c), (4) (5) (6) (7) (a) (b), (8) & (9) of the Supply Chain Management Regulations: (3) If a municipality or municipal entity decides to consider an unsolicited bid that complies with sub regulation 2, the municipality or municipal entity must make its decision public in accordance with section 21A of the Municipal Systems Act, together with (a) its reasons as to why the bid should not be open to other competitors, (b) an explanation of the potential benefits for the municipality or entity were it to accept the unsolicited bid and (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.	Management will ensure that in cases where municipality decide to follow unsolicited bid, advert is done and detailed explanation is given to public as to why normal procurement is not followed and why said service provider is selected. The municipality will ensure that it complies with SCM regulation for procurements by means of unsolicited bid.	SCM Manager	Immediately

(4) Once the municipality or municipal entity has received written comments pursuant to sub regulation 3, it must submit such comments, including any reasons from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment. (5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations. (6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public. (7) When considering the matter, the adjudication committee must take into account (a) any comments submitted by the public and (b) any written comments and recommendations of the National Treasury or the relevant provincial treasury. (8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations. (9) Such submissions must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality or municipal entity to the bid may be entered into or signed within 30 days of the submission. Upon inspection of the following unsolicited bids awarded during the year under review, it was noted that there was non-compliance to Supply Chain Management Regulation 37 in awarding the bids. The municipality did not make public its decision to consider the two unsolicited bids, together with its reasons as to why the bids should not be open to other competitors, an explanation of the potential benefits for the municipality were it to accept the unsolicited bids and an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

<p>SCM policy does not include measures to regulate the appointment and over-reliance on consultants (COAF 12) Audit finding The municipalities SCM policy should cover the following in order to effectively regulate and control the appointment of consultants:</p> <ul style="list-style-type: none"> • Define the main purposes and objective for appointment consultants • Measures to address over reliance on consultants <p>1. Inspected the SCM policy on the appointment of consultants, however the policy does not</p> <ul style="list-style-type: none"> • include measures to address over reliance on consultants • define the main purposes and objective for appointing consultants <p>2. Further;</p> <ul style="list-style-type: none"> • There's no management information prepared that analyses the extent of the use of consultants; • Management does not review at least on an annual basis, whether the objectives of the institution are better achieved through use of consultants. <p>SCM policy does not include measures to regulate the appointment and over-reliance on consultants. This results in an internal control deficiency, as the SCM policy does not include measures to regulate the appointment and over-reliance on consultants.</p>	<p>Management will review SCM policy and include detailed measure and process to regulate the appointment and over reliance on consultants in terms of SCM regulation.</p>	<p>SCM Manager</p>	<p>31-Mar-16</p>
<p>SCM: Employee not declaring their interest on the specific supplier and other employees did not submit their declaration Audit finding According to the SCM Regulation 46(2) (e) and (f) A municipal code of ethical standards must stipulate that an official or other player involved in the implementation of the supply chain management policy of the municipality or municipal entity-(e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the municipality or municipal entity.(f) must immediate withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest.During the audit of procurement it was identified that the following employee did not declare her interest for the following supplier.</p>	<p>The Municipality will ensure that all the employee signed the declaration of interest at the start of each financial year and properly file them in archive and scan to municipal server. The municipality will also communicate to employees the consequences of not been honest in declaration of interest. The municipality will also perform a cipro search on annual basis to identify all the employees that owned business and compare it with signed declarations for completeness.</p>	<p>SCM Manager Internal Auditor</p>	<p>31-Mar-16</p>

<p>Economy Audit finding MFMA section 62 (1) (a) and 95(a) states: 62. General financial management functions.—(1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure— (a) that the resources of the municipality are used effectively, efficiently and economically; 95. General financial management functions of accounting officers.—The accounting officer of a municipal entity is responsible for managing the financial administration of the entity, and must for this purpose take all reasonable steps to ensure—(a) that the resources of the entity are used effectively, efficiently, economically and transparently; A: During the audit of expenditure the following items were noted that were not bought under economical terms, which lead to resources not being used as efficiently and economically as should be.</p>	<p>Municipality will ensure that prior to goods or services been procure proper needs assessment and estimated cost of goods or services required is perform by obtaining few quotes from reputable supplier and engineer estimate cost in terms of construction works.</p>	<p>SCM Manager</p>	<p>Immediately</p>
<p>SCM: Supplier did not fill in the MBD 4 form (Declaration of interest) Audit finding Supply management policy states that the municipality may not consider a written quotation or bid unless the provider who has done the following a) furnished the municipality with the provider's i) full names ii) ID number and company registration iii) Tax reference number and VAT registration number b) has authorised the municipality to obtain the tax clearance from SARS that the provider's tax matters are in order and c) has indicated i) whether he or she is in the service of the state, or has been in the service of the state for the past twelve months ii) If the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholders is in the service of the state, or has been in the service of the state in the last twelve months iii) whether a spouse, child, or parent of the provider or of a director, manager, shareholder or stakeholder is in the service of the state, or has been in the service of the state in the last twelve months Contrary to the SCM regulation, we could not obtain sufficient appropriate audit evidence to substantiate that the following suppliers declared their interest in the municipality.</p>	<p>Management will ensure that each and every bidder signed the declaration of interest form (MBD4) as required by SCM regulation and is included in the checklist of all required documents. Failure to sign declaration of interest MBD 4 by prospective provider will disqualify the bid.</p>	<p>SCM Manager</p>	<p>Immediately</p>

<p>SCM: Deviation not disclosed in the notes of financial statements and discussed in the council meeting Audit finding Section 36(2) of the Supply Chain Management Regulations states: "The accounting officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements." On inspection of the financial statements and council meetings for the period under review, it was noted that the following deviations from supply chain management process were not disclosed in the notes to the financial statements.</p>	<p>Management will ensure that all procurement that did not follow SCM process, deviation is obtained and transaction recorded in the deviation register. Deviations from normal SCM process will be reported to council in the form of quarterly SCM reports. CFO will also ensure that deviation is properly disclosed in the notes to the Annual Financial Statements.</p>	<p>SCM Manager</p>	<p>Immediately</p>
<p>SCM: Suppliers not disclosing that the directors are in service of the state Audit finding Awards to persons in service of other state institutions are prohibited in terms of section 112(j) of the MFMA and SCM reg. 44 if: a) possible conflict of interest exists: the bidder or any of its manager, director or shareholder could have influenced the procurement process based on the relationship between the auditee and the institution where the person is employed. (i.e. the position of the person gives him/her access to the operations of the auditee) b) the bidder indicated in the submitted declaration that he/she or any of its manager, director or principal shareholder is in the service of the state. Inspected the MBD form signed by the supplier, and identified that the supplier did not disclose that there is in service of the state.</p>	<p>Municipality will request assistance from provincial treasury to have a link where municipality can perform to identify if recommended service providers are not employed by state. The exercise will be performed prior to appointment.</p>	<p>SCM Manager Internal Auditor</p>	<p>30-Jun-16</p>

<p>SCM: Employees not disclosing their business partners in the declaration forms</p> <p>Audit finding According to the SCM Regulation 46(2) (e) and (f) A municipal code of ethical standards must stipulate that an official or other player involved in the implementation of the supply chain management policy of the municipality or municipal entity-(e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the municipality or municipal entity.(f) must immediate withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest. Inspected the declaration forms of the following employees and identified that they did not disclose their relationship with eth following partners:</p>	<p>The Municipality will ensure that all the employee signed the declaration of interest at the start of each financial year and properly file them in archieve and scan to municipal server. The municipality will also communicate to employees the consequences of not been honest in declation of interest. The municipality will also perform a cipro search on annual basis to identify all the employees that owned business and compare it with signed declarations for completeness.</p>	<p>SCM Manager Internal Auditor</p>	<p>31-Mar-16</p>
<p>Prior Period Adjustments: Supporting journals not tying up to adjustment</p> <p>Audit finding In terms section 62 of the MFMA General financial management functions.— (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards; that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control; and of internal audit operating in accordance with any prescribed norms and standards</p>	<p>Management will reconcilie each and every journal on the prior period error with supporting documents and kept them properly to be verified by AG.</p>	<p>CFO</p>	<p>31-Mar-16</p>

<p>PPE: Duplication of assets in the FAR. (COAF 10) Audit finding Section 62(1)(c) of the MFMA requires the accounting officer to take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control Section 63(2)(b) of the MFMA states that the accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure that the municipality's assets and liabilities are valued in accordance with standards of Generally Recognised Accounting Practice. The following items of property, plant and equipment are duplicated on the fixed assets register:</p>	<p>Management will ensure that each of the 4 resevoirs have unique assets number and adjust assets register accordingly.</p>	<p>SCM and Assets manager</p>	<p>31-Mar-16</p>
<p>PPE:Work-in-Progress: Valuation of Work-in-Progress Audit finding Section 63(1) of the MFMA states that the accounting officer of a municipality is responsible for the management of—(a) The assets of the municipality, including the safeguarding and the maintenance of those assets; and(2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure—(a) That the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality; The Municipal Finance Management Act (MFMA) defines “fruitless and wasteful expenditure” as expenditure that was made in vain and would have been avoided had reasonable care been exercised. Section 32 of the MFMA states that a municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure—(2)(b) in the case of irregular or fruitless and wasteful expenditure, is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council.</p>	<p>Management is in communication with Eskom regarding the connection of these high mast lights.</p>	<p>Technical Director</p>	<p>31-Mar-15</p>
<p>Depreciation Audit finding The following difference has been identified between the AFS and the FAR:</p>	<p>Management will reconcile depreciation for infrastructure and movable assets per fixed assets register to the GL? TB and financial statement and investigate the difference.</p>	<p>SCM and Assets manager</p>	<p>31-May-16</p>

<p>Inventory differences</p> <p>Audit finding In terms of the MFMA 56 of 2003:</p> <p>Section 63(2) (b) of the MFMA states that: "the accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure that the municipality's assets and liabilities are valued in accordance with standards of Generally Recognised Accounting Practice."</p> <p>The following differences were identified between the physically verified inventory items and what was reported in the AFS.</p> <p>Overstatement</p>	<p>Management will re perform the reconciliation and adjust the financial statement accordingly.</p>	<p>SCM and Assets manager.</p>	<p>31-Mar-16</p>
<p>Bank and cash management Audit finding Bank signatories as per the bank confirmation received from ABSA bank reflected that persons no longer employed by the municipality or who's job responsibilities is not linked to financial matters are still listed as authorised signatories (see items in red and orange). It was also noted that some accounts do not have specified signatories. These matters create risk for unauthorised withdrawals and misappropriation of funds.</p>	<p>Management will notify all the financial institution that revenue manager was a signatory of the resignation and nominate new signatories. Management will ensure that as soon as official responsible for any approval is resign, all financial institutions are notify as a control to prevent fraud etc.</p>	<p>CFO</p>	<p>31-Mar-16</p>
<p>Assets not in working condition as reported in the prior year Audit finding The following assets were identified as not working in the prior year management report but are still included in the current year's asset register</p>	<p>Management will ensure that the assets are back to working condition to correspond with the figure in the annual financial statement. Assets that cannot be fixed, a motivation be be sent to council for write off.</p>	<p>SCM and Assets manager</p>	<p>31-Mar-16</p>
<p>Invoices not recorded in the correct accounting period (COAF 7)</p> <p>Audit finding GRAP 14 Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified: (a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); (b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).</p>	<p>Management will ensure that proper communication is sent to all clients dealing with the municipality to submit the invoice and statement timely and at 30 June each year. This will ensure that invoices are recorded in correct accounting period.</p>	<p>CFO</p>	<p>Immediately</p>

Expenditure: Incorrect amount captured in the accounting records (COAF 12) Audit finding 65 Expenditure management.—(1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.(2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure—a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;The amount captured in the General Ledger is different from the invoice amount.	Management will ensure that the amount on the accounting records is rectify to agree with the invoice.	Expenditure Supervisor	31-Mar-16
Expenditure: Incorrect amount paid to the supplier. (COAF 12) Audit finding MFMA 62:General financial management functions.—(1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure-a) that the resources of the municipality are used effectively, efficiently and economically;b) accordance with any prescribed norms and standards;d) that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented;Upon inspection of payment voucher for North West Electricals amounting to R8 560.79 for the servicing of air cons, it was noted that the municipality paid more. It was identified that the invoice amount does not agree to the order amount as quantities stated on the invoice were eight items instead of 10 items as per the order therefore incorrect amount was paid to the supplier. Identified difference could not be explained to the auditors. Refer to the table below	Management will request the service provider to correct the invoice to agree with appointment and total amount of R8, 560.	Expenditure Supervisor	31-Mar-16
No supporting documents Audit finding Kgetlengrivier Local Municipality expenditure management policy states that Payment can only be done when the following documents are attached to the voucher for operational payment:1. Tax invoice from the supplier2. Internal order document and3. Internal requisition from respective department.The following suppliers were paid without supporting documents.	Management will ensure that invoice from water affairs is located and files properly. Management will in future ensure that all copies of invoice is properly kept in archive and scan to municipal server.	Expenditure Supervisor	31-Mar-16

<p>Invoices not recorded in the correct accounting period. Audit finding GRAP 14 Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified: (a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); (b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date). 65 Expenditure management.—(1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality. (2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure— a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds; b) that the municipality has and maintains a management, accounting and information system which— i) recognises expenditure when it is incurred; ii) accounts for creditors of the municipality; and iii) accounts for payments made by the municipality. The following invoice are recorded in the 2014/15 period when they relate to the 2013/14 financial year.</p>	<p>Management will ensure that proper communication is sent to all clients dealing with the municipality to submit the invoice and statement timely and at 30 June each year. This will ensure that invoices are recorded in correct accounting period.</p>	<p>CFO</p>	<p>Immediately</p>
<p>Classification of expenditure Audit finding GRAP 1 (presentation of financial statements) paragraph 17 states that the financial statements shall present fairly the financial position, financial performance and cash flows of an entity. The following amount was incorrectly classified as Repairs and maintenance whereas it should have been classified as finance cost.</p>	<p>Management will in future ensure that provision expenditure is recorded correctly as finance cost not normal expenditure.</p>	<p>CFO</p>	<p>Immediately</p>

<p>:Unspent conditional grant balance at year end in the ABSA call account does not agree to the amount disclosed in the AFS Audit finding Section 122 of Municipal Finance Management Act states: "Preparation of financial statements.-(1) Every municipality and every municipal entity must for each financial year prepare annual financial statements which-(a) fairly presents the state of affairs of the municipality or entity, its performance against its budget , its management of revenue , expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year. The municipality does not have a separate bank account for unspent conditional grants. As a result, the total amount of the bank account as at 30 June 2014 (see below) is less than the amount of unspent conditional grants disclosed in the annual financial statements of R 6 986 564.57.</p>	<p>Management will ensure that any conditional grants received in the main bank account of the municipality is immediately shifted to the separate call account as conditional grant may be spent for other purpose not intended for.</p>	<p>Expenditure Supervisor</p>	<p>Immediately</p>
<p>No supporting document for Journal 100678/100676 Audit finding MFMA 62:General financial management functions.—(1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure-a) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards; The following journals do not have supporting documents:</p>	<p>Management will ensure that supporting documents are located and properly kept in archive and scanned to municipal server. Copies will be submitted to Auditor General.</p>	<p>Expenditure Supervisor</p>	<p>31-Mar-16</p>
<p>AOPO: Financial Plan - Non-compliance (COAF 9) Audit finding In terms of MSA, sec. 26 (h), Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2011) Reg. 2(3) (a-c): A financial plan, must include the budget projection for at least the next three years, and at least the following: i) The budget projection; ii) The financial resources that are available for capital project developments and operational expenditure; and iii) A financial strategy that defines sound financial management and expenditure control and means of increasing revenues and external funding for the municipality</p>	<p>Management will ensure that financial plan complies with relevant laws and regulations and includes the following: i) The budget projection;ii) The financial resources that are available for capital project developments and operational expenditure; and iii) A financial strategy that defines sound financial management and expenditure control and means of increasing revenues and external funding for the municipality</p>	<p>PMS Coordinator</p>	<p>Immediately</p>

<p>AOPO: Late submission of adjustment budget (COAF 12) Audit finding MFMA: Municipal Budget and Reporting Regulations GN 393 of 2009. Section 27 states the following: (1) The municipal manager must comply with section 28(7) of the Act read together with section 24 (3) of the Act within ten working days after the municipal council has approved an adjustments budget. (2) When submitting an adjustment budgets to the National Treasury and the relevant provincial treasury in terms of section 28 (7) of the act read together with section 24 (3) of the Act, the municipal manager must also submit to the National treasury and the relevant provincial treasury, in both printed and electronic form - (a) the supporting documentation within ten working days after the municipal council has approved the adjustments budget; (b) the amended service delivery and budget implementation plan, within ten working days after the council has approved the amended planning terms of section 54(1)(c) of the Act</p>	<p>Management will ensure that budget adjustment is submitted to all relevant stakeholders per legislated date of MFMA. Management will ensure that all required documents are submitted with adjustment budget.</p>	CFO	Immediately
<p>AOPO: SUPPORTING INFORMATION NOT RECEIVED Audit finding National Treasury: Framework for Managing Programme Performance Information 3.2 states that:A good performance indicator should be 'Verifiable': it must be possible to validate the processes and systems that produce the indicatorAccording to MFMA Section 62. (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—That full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards</p>	<p>Management will ensure that all information requested by auditor general is submitted to them within 3 working days agreed on.</p>	MM	Immediately

Consistency Audit finding National Treasury MFMA Circular 13 states the following: There should be consistency between the Integrated Development Plan (IDP) and the Service Delivery Budget Implementation Plan (SDBIP) A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed; (a) Set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan;	Management will ensure that IDP is aligned with its SDBIP and performance agreement and that performance evaluation is performed on quarterly basis and performance indicators are well definitely and clearl. Management will correct SDBIP to align with IDP in 2015/16 mid-term performance review.	PMS Coordinator	31-Jan-16
Indicators not well defined Audit finding National Treasury Framework for Managing Programme Performance Information states the following: 3.2 A good performance indicator must be well defined: the indicator needs to have a clear, unambiguous definition so that data will be collected consistently, and be easy to understand and use. Regulation 9. setting of key performance indicator – (1) (a) A municipality must set key performance indicator, including input indicators, output indicators and outcome indicators, in respect of each of the development priorities and objective referred to in section 26(c) of the MSA Act.	Management will ensure that IDP is aligned with its SDBIP and performance agreement and that performance evaluation is performed on quarterly basis and performance indicators are well definitely and clearl. Management will correct SDBIP to align with IDP in 2015/16 mid-term performance review.	PMS Coordinator	31-Jan-16
SDBIP not submitted to National Treasury within 10 working days Audit finding MFMA: Municipal Budget and Reporting Regulations GN 393 of 2009 section 20(2)(b) states that: The municipal manager must submit to National Treasury and the relevant provincial treasury, in both printed and electronic form the approved service delivery and budget implementation plan (SDBIP) within ten working days after the mayor has approved the plan. Finding: Through inspection of the signed SDBIP and the email sent to National Treasury, noted that the SDBIP was signed by the mayor on 12 June 2015 but only submitted via email on 1 September 2015 which equates to a 81 day delay in submission.	Management will ensure that SDBIP is submitted to all relevant stakeholders per legislated date of MFMA.	PMS Coordinator	Immediately

Mid-year performance assessment not performed or submitted. Audit finding MFMA: Municipal Budget and Reporting Regulations GN 393 of 2009 section 35 states that: The municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form-(a) the mid-year budget and performance assessment by 25 January of each year; and(b) any other information relating to the mid-year budget and performance assessment as may be required by the National Treasury	Accounting officer will ensure that mid-term performance assessment is properly performed, review, discuss with all relevant portfolio committees and to council for approval. Accounting officer will also ensure that proper consultation is done prior to Mid-term performance tabled to council for approval.	MM	25-Jan-16
Distribution losses are not monitored effectively Audit finding In terms of section 62 of the MFMA, General financial management functions.—(1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control; and of internal audit operating in accordance with any prescribed norms and standards During the audit of revenue, it has been identified that the municipality does not monitor distribution losses effectively. • It has been identified that the percentage loss on electricity distributed is 30% and the distribution loss on water 20%. • Based on MFMA circular 71, the norm for electricity loss is 7%-10% and the norm for water loss distributed should be between 15% and 30%. • It has been calculated that the municipality has lost 30% of electricity generated/purchased and 20% of water distributed. The loss for electricity is 20% above the expected norm while the water loss (20%) is within the expected norm.	Management will ensure that distribution losses are calculated and monitored on monthly basis and measure to reduce it is implemented.	MM	Immediately

Performance procedures: Roads infrastructure planning and monitoring Audit finding 1. The municipality does not have an approved policy in place for the planning, management and reporting of roads infrastructure. 2. The municipality did not perform condition assessments for all roads infrastructure under their control to inform the RMP/Priority list.3. The approved RMP/priority list does not provide for renewal and routine maintenance of all roads infrastructure allocated to the municipality4. The municipality does not have an approved priority list of roads infrastructure renewal and routine maintenance projects.The municipality does not have human resources with adequate skills to plan for- and do actual maintenance on roads.Roads may not be maintained adequately and at the relevant frequency to avoid early impairment.	Management will ensure that policy on Road infrastructure planning, management and reporting is developed and implemented to address all the challenges on road infrastructure.	Director Technical Service	31-May-16
Performance procedures: Water Infrastructure Maintenance policy and planning Audit finding 1. The municipality does not have an approved policy in place that addresses routine maintenance of water infrastructure.2. The municipality did not plan for the maintenance of water infrastructure by setting specific timeframes and targets in this regard. 3. Maintenance of water infrastructure was not budgeted for by the municipality.The municipality does not have human resources with adequate skills to maintain water infrastructure.Water infrastructure assets may not be maintained adequately and at the relevant frequency to avoid early impairment.	Management will ensure that policy on Water infrastructure planning, management and reporting is developed and implemented to address all the challenges on water.	Director Technical Service	31-May-16
Targets are not specific or measurable Audit finding GNR.796 of August 2001: local Government: Municipal planning and performance management regulations, 2001Regulation 12. setting of performance of targets-sub regulation (2) a performance target set in terms of sub regulation (1) must –1. (a) Be practical and realistic 2. (b) Measure the efficiency, effectiveness, quality and impact of the performance of the municipality, administrative component ,structure, body or person for whom a target has been set, 3. (c) Be commensurate with available resources; 4. (d) Be commensurate with the municipality's capacity	Management will ensure that IDP is aligned with its SDBIP and performance agreement and that performance evaluation is performed on quarterly basis and performance indicators are well definitely and clear, practical, realistic, measurable and time bound. Management will correct SDBIP to align with IDP in 2015/16 mid-term performance review.	PMS Coordinator	31-Jan-16

<p>Targets are not time bound</p> <p>Audit finding National Treasury Framework for Managing Programme Performance Information states: Performance targets express a specific level of performance that the institution, programme or individual is aiming to achieve within a given time period</p> <p>The following Planned/ Reported targets are not time bound:</p>	<p>Management will ensure that IDP is aligned with its SDBIP and performance agreement and that performance evaluation is performed on quarterly basis and performance indicators are well definitely and clear, practical, realistic, measurable and time bound. Management will correct SDBIP to align with IDP in 2015/16 mid-term performance review.</p>	<p>PMS Coordinator</p>	<p>31-Jan-16</p>
<p>Incorrect deposit was paid for consumer deposit. Audit finding In terms of Section 74 (1) of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the council of a municipality must adopt and implement a tariff policy on the levying of fees for the services provided by the municipality itself or by way of service delivery agreement. Such policy must comply with the provisions of the Act and any other applicable legislation. • Deposits may be reviewed annually and the outcome of such review shall be communicated to the consumer in the event of any variation in the deposit arrangement. An incorrect amount for consumer deposit for Joubert AEJ account number 20095 amounting to R1,800.00 was paid instead of R1906 which is the required amount for the 2014/15 financial year.</p>	<p>Management will ensure that all approved new tariffs are implemented from 1 July each year. Management will also ensure that consumer charged will old tariffs are charged to additional tariff to align with approved tariff.</p>	<p>Manager Revenue</p>	<p>1-Jul-16</p>

Reconciling items were not cleared regularly as required. (COAF 6) Audit finding In terms of MFMA section 62 (1) states that "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure (b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards; (c) that the municipality has and maintains effective, efficient and transparent systems— (i) of financial and risk management and internal control; "Section 98 (a) (b) states "The accounting officer of a municipal entity must take all reasonable steps to ensure that all revenue received by the entity, including revenue received by any collecting agency on its behalf, is reconciled on a monthly or more regular basis; and (b) all accounts of the entity are reconciled each month. During audit the following discrepancies were identified:-• That closing balance of the consumer deposit register(sub ledger) and general ledger do not agree.	Management will ensure that the variance between consumer deposit and consumer listing are investigated and cleared as soon as possible.	Manager Revenue	31-Mar-16
Incorrect deposit tariffs were used. (COAF 6) Audit finding In terms of Section 74 (1) of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the council of a municipality must adopt and implement a tariff policy on the levying of fees for the services provided by the municipality itself or by way of service delivery agreement. Such policy must comply with the provisions of the Act and any other applicable legislation. • Deposits may be reviewed annually and the outcome of such review shall be communicated to the consumer in the event of any variation in the deposit arrangement. An incorrect amount for consumer deposit were paid for the following consumer debtor:-	Management will ensure that all approved new tariffs are implemented from 1 July each year. Management will also ensure that consumer charged will old tariffs are charged to additional tariff to align with approved tariff.	Manager Revenue	1-Jul-16

<p>Interest was not fully charge as required. (COAF 12)</p> <p>Audit finding PART 12: INTEREST ON ARREARS AND OTHER PENALTY CHARGES 1. Interest shall be charged on all arrear accounts at a rate determined by Council from time to time. Interest shall be calculated on a daily basis. For purposes of determining arrear amounts, all amounts unpaid including interest previously raised and penalty charges, but excluding value added tax.</p>	<p>Management will ensure that when tenant moving out and the account is in arrears, services will be blocked and account continue accruing interest. Management will also ensure that financial system is fully programmed to performed the exercise.</p>	Revenue Manager	Immediately
<p>Indigent debtor's application not submitted. Audit finding 1. In terms of section 74 of the MFMA, the accounting officer of a municipality must submit to the National Treasury, the provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required.2. Section 74(i) of the Local Government Municipal Systems Act 2000 requires the municipal council, in adopting its tariff policy, to at least take into consideration the extent of subsidization of tariffs for poor households. Kgetlengrivier Local Municipality receives funding from central government annually for the purpose of subsidizing poor households in its municipal area in the provision of basic municipal services in terms of the Division of Revenue Act.</p>	<p>Management will ensure that new indigent approved forms are properly filed in archieve, scan and properly to the municipal server.</p>	Revenue Manager	Immediately
<p>Other receivables Audit finding MFMA 62:General financial management functions.—(1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure-a) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;Sufficient appropriate evidence could not be obtained for the following debtor included in "Other receivables" :</p>	<p>Management will investigate and locate all supporting documents provision of debts impairment made in 2011/12 financial and filled proper in archieve and scanned and save in municipal server.</p>	CFO	31-Mar-16

Amounts in the TB do not agree with amounts disclosed in the AFS (COAF 8) Audit finding Section 62(1) (c) (i) stated that: The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The following differences were noted during comparison of the AFS and the TB/GL for accumulated surplus and reserves:	Management will reconcile Accumulated surplus account in AFS with TB/GL and investigate and correct the differences.	CFO	31-May-16
Movement in the capital replacement reserve could not be verified (COAF 12) Audit finding In terms section 62 of the MFMA General financial management functions.—(1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards; that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control; and of internal audit operating in accordance with any prescribed norms and standards	Financial system provider will investigate why all payments for capital expenditure is automatically posted to capital replacement reserve. Once done, the account will be cleared accordingly.	CFO	31-Mar-16
Property rates charged. (COAF 8) Audit finding As per Section 64 of the MFMA, it states: (1) The accounting officer of a municipality is responsible for the management of the revenue of the municipality. (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to (a) that the municipality has effective revenue collection systems consistent with section 95 of the Municipal Systems Act and the municipality's credit control and debt collection policy; (b) that revenue due to the municipality is calculated on a monthly basis; and (c) that accounts for municipal tax and charges for municipal services are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;	Management will ensure that monthly reconciliation between valuation roll, billing and GL is performed and variance investigated and corrected to ensure all properties are billed correctly.	Manager Revenue	Immediately

Revenue: Licences and permits recorded in the incorrect period Audit finding MFMA section 64(2) (e) states the following:The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure that the municipality has and maintains a management, accounting and information system which (i) recognises revenue when it is earned. Finding:During the audit of Licence and permit transactions we noted that the following transactions were recorded in the 2015/2016 accounting period when they related to the 2014/15 accounting period.	Management will ensure that all daily cash collection by the municipality are banked daily as required by MFMA.	Manager Revenue	Immediately
Revenue GL does not agree to AFS Audit finding The following difference was noticed between the AFS and GL for revenue as listed below:	Management will ensure that the duplicated Bojanala Votes is deleted from the GL.	Manager Revenue	31-Mar-16
VAT:Department of water affairs tax invoice not including municipality VAT number in the invoice (COAF 10) Audit finding VAT Act section 20 (4) Except as the Commissioner may otherwise allow, and subject to this section, a tax invoice (fulltax invoice) shall be in the currency of the Republic and shall contain the following particulars:(a) The words "tax invoice" in a prominent place;(b) the name, address and VAT registration number of the supplier;[Para. (b) substituted by s. 47 (1) (a) of Act No. 16 of 2004 with effect from the date of promulgation ofthat Act, 27 July, 2004.]	Management will ensure that the invoices supplied to the municipality include VAT registration number in case were supplier is VAT vendor. Municipality will pay invoice exclusive of Vat in case were VAT vendor invoice does not include vat number.	Expenditure Supervisor	Immediately

Lease contract management Audit finding 65 Expenditure management.—(1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.(2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure—a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;b) that the municipality has and maintains a management, accounting and information system which—i) recognise expenditure when it is incurred;ii) accounts for creditors of the municipality; andiii) accounts for payments made by the municipality;1. Upon inspection of August & September 2014 tax invoices from Nashua, the follow difference were identified (Valuation/ Accuracy)	Municipality to reconcillile all the lease machine as per lease schedule and contracts with lease information and adjust accordingly to ensure that all the lease machine and payments to Nashua is valid, accurate and complete.	SCM and Assets manager	31-Mar-16
Failure by management to monitor the IT service level agreement Audit finding Section 62 (1) of the MFMA states that: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure — (c) that the municipality has and maintains effective, efficient and transparent systems— (i) of financial and risk management and internal control;"During the audit it was identified that services delivered by the service providers were not monitored against the services agreed in the service level agreement (SLA) to ensure optimal service delivery.The lack of monitoring of the services rendered to the entity by external service providers might result in sub-standard services being provided to the entity.	Management will ensure that the performance of service provided in monitor and reviewed on the quarterly basis to ensure maximum service is delivered to the municipality.	Direcotor Cooperate	Immediately

<p>Information System: No formal process to register users and no reviews done Audit finding Section 62 (1) of the MFMA states that: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure — (c) that the municipality has and maintains effective, efficient and transparent systems— (i) of financial and risk management and internal control;"During the audit it was identified that formal process to register users, changing access rights, effecting password resets and terminating access rights was not implemented and processes to ensure that reviews are periodically be undertaken to determine whether employees' current access and privileges on the system were commensurate with their job responsibilities were not in place.Management informally send emails to IT to change access rights and password The lack of formal access documentation could result in the inability to monitor the authorisation of access granted to the system. Inappropriate access that could be used to performed unauthorised transactions would consequently not be detected.</p>	<p>Municipality will ensure that formal process for registration and termination of the users on the system is formally developed and properly documented and approved.</p>	<p>Direcotor Cooperate</p>	<p>31-May-16</p>
<p>Formally documented and approved program change control policies and procedures were not in place Audit finding Section 62 (1) of the MFMA states that: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure — (c) that the municipality has and maintains effective, efficient and transparent systems— (i) of financial and risk management and internal control;"Formally documented and approved program change control policies and procedures were not in place to detail the process that should be followed when system updates were made to application systems. The lack of a standard policy/procedure for program change management could result in unauthorised system updates being made to systems, consequently introducing updates that do not address user requirements.Incorrect changes may be made to the system</p>	<p>Municipality will ensure that formal process for registration and termination of the users on the system is formally developed and properly documented and approved.</p>	<p>Director Cooperate</p>	<p>31-May-16</p>

System upgrades were not approved by management. Audit finding Section 62 (1) of the MFMA states that: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure — (c) that the municipality has and maintains effective, efficient and transparent systems— (i) of financial and risk management and internal control;"During the audit it was identified that system upgrades were not approved by management and through the inspection of change request form dated 19 November 2014 it was confirmed that changes made by Vesta was not approved by management.Lack of Monitoring by management/internal IT staff Incorrect updates/upgrades can be made to the financial system	Municipality will ensure that no change to system is effected without prior approval by the CFO or delegated official. Communique will be sent to the system administrator that no changes should be effected without prior approval is system change by CFO or delegated official	CFO	Immediately
Employee costs - Leave was not approved by Head of Department (COAF 6) Audit finding In terms of section 20(10) (a) of the Basic Conditions of Employment Act (BCEA), 1997 (Act No. 75 of 1997) states that "Annual leave must be taken in accordance with an agreement between the employer and employee." Furthermore, Part V, section F (b) of the Regulations to the Public Service Act, 2000 (Government Notice No. R. 1 of 5 January 2001 as amended), a head of department shall record all leave taken by an employee accurately and in full.And Leave Policy, par 3.1, Applications for leave shall be made on the leave application form, recommended by the Human Resource Department and approved by the Head of Department. Copies of relevant documents supporting the leave application must be submitted where applicable. It was noted that the following employees took annual leave that was not approved by head of the department, refer to the below table for details:	Management will ensure that no employees is going for leave without prior approval by manager, supervisor or delegated person. Leave taken without prior approval will render employee taking leave without pay.	Director Cooperate	Immediately

Employee costs - Annual Leave approved after it was taken by an employee (COAF 6) Audit finding In terms of section 20(10) (a) of the Basic Conditions of Employment Act (BCEA), 1997 (Act No. 75 of 1997) states that "Annual leave must be taken in accordance with an agreement between the employer and employee."Furthermore, par 3.4 of the municipal leave policy refers: all leave applications must be approved by the relevant line manager five (5) days before the commencement of the leave.It was noted that the annual leave was approved after it was taken, refer to the below table for details:	Management will ensure that no employees is going for leave without prior approval by manager, supervisor or delegated person. Leave taken without prior approval will render employee taking leave without pay.	Director Cooperate	Immediately
Employee costs - Leave form not complete (COAF 6) Audit finding In terms of section 20(10) (a) of the Basic Conditions of Employment Act (BCEA), 1997 (Act No. 75 of 1997) states that "Annual leave must be taken in accordance with an agreement between the employer and employee."In terms of municipal leave policy paragraph 1 States that it is the policy of the municipality to provide a clear guideline by ensuring that the municipality's leave administrative practice is in line with the South African Labour Laws, particularly the Basic Conditions of Employment Act of 1997 and SAGBC Collective Agreement on Condition of Services and to ensure that municipality's staff leave records are accurate and consistent.	Management will ensure that no employees is going for leave without prior approval by manager, supervisor or delegated person. Leave taken without prior approval will render employee taking leave without pay.	Director Cooperate	Immediately
Special budget adjustment figures were not uploaded on the Phoenix system (COAF 7) Audit finding Section 62 (1) of the MFMA states that: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure —(b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;(c) that the municipality has and maintains effective, efficient and transparent systems—(i) of financial and risk management and internal control;"	Management will ensure that as soon as the adjustment budget or annual budget is approved by council is captured on the financial system.	CFO	Immediately

<p>SCM: Management could not provide with reason for duplicate bank info, VAT number and address. Audit finding MFMA section 62 - General financial management functions requires the following:“(1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure - (b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards; (c) that the municipality has and maintains effective, efficient and transparent systems - (i) of financial and risk management and internal control.” A request of information 60 was sent out that was requesting management reason for the duplicate bank in, VAT number ,address and telephone number for suppliers. Since management could not provide reasons for all the duplications, and the AG is not able to select this bulk number of suppliers for detail testing, it is suggested that management evaluate the supplier system and prioritise the supplier system clean-up as part of the / action plan. Management does not ensure that request of information's are attended to and information provided to the auditors within the 3 days required. This non-submission will constitute a limitation on the scope of the audit.</p>	<p>Management will develop and implement processes and procedures that will enable the municipality to detect services providers in the suppliers database with same address, same banking details, same vat etc.</p> <p>An extensive test will be perform by the municipality on the supplier database to identify suppliers of that nature and remove them immediately.</p>	<p>SCM manager</p>	<p>31-Mar-16</p>
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<p>Contract for IEC was not reviewed as required by law and legislation Audit finding 116. Contracts and contract management.—(1) A contract or agreement procured through the Supply chain management system of a municipality or municipal entity must—(a) be in writing;(b) stipulate the terms and conditions of the contract or agreement, which must include provisions providing for— performance; (i) the termination of the contract or agreement in the case of non- or under-performance; (ii) dispute resolution mechanisms to settle disputes between the parties; (iii) a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and (iv) any other matters that may be prescribed. During our audit it was discovered that the municipality did not comply with the section 116 with regard to the contract between IEC and municipality and the following discrepancies were identified• Their contracts were not reviewed every after three year. • Escalation clause was not included in the contract. • Contract commencement and duration was not clearly defined as required.</p>	<p>Management will ensure that contract between the municipality and IEC and other contract for rental of municipal buildings are reviewed and be in line with the condition of general contracts prescribed by national treasury and that market value rental is paid. Management will also ensure that the contract is reviewed on 3rd year basis.</p>	<p>Revenue manager</p>	<p>31-Mar-15</p>
<p>Journal number incorrectly captured. (COAF 7) Audit finding Section 62 (1) of the MFMA states that: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure — (c) that the municipality has and maintains effective, efficient and transparent systems— (i) of financial and risk management and internal control;" Journal number 100506 amounting to R13,800.00 was erroneously captured in the system</p>	<p>management will ensure that prior to journals been approved, journals captured on the system is compare with hard copy journal for accuracy and completeness.</p>	<p>CFO</p>	<p>Immediately</p>

Inventory: Store requisition form was not approved by HOD/Supervisor. Audit finding Section 65(1) and (2) (a) of the Municipal Finance Management Act (Act 56 of 2003) states that: (1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality. (2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure— (a) the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds.” During the obtaining of the understanding of the business processes of inventory, the following internal control deficiency was identified. IRequisition number 2228 dated 01/06/2015 was signed by the Requestor (the team leader of water services) and the Stores Clerk for two male adaptor 20mm issued and the requisition form was not approved by the HOD (Water Services).	Management will ensure that no inventory is issued from the stores without prior approval by Supervisor/HOD/Director. Processes will be documented and communicated all personnel involved.	SCM manager	Immediately
Inventory:Year-end inventory reconciliation Audit finding Section 62(1) (c) of the Municipal Finance Management Act (Act 56 of 2003) states that:“(1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—(c) the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.” During the obtaining of the understanding of the business processes of inventory, we identified the following internal control deficiency:The year-end reconciliation was not reviewed by SCM manager and approved by the CFO. 1. Non-compliance with internal controls	Management will ensure inventory reconciliations are reviewed and approved on a month basis.	SCM manager	28-Feb-16
Financial Assets: Investment reconciliations not reviewed (COAF 9) Audit finding 62. General Financial management functions (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure— (a) that the resources of the municipality are used effectively, efficiently and economically;(b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;	Management will ensure Investment reconciliations are reviewed and approved on a month basis.	Revenue manager	28-Feb-16

<p>Grants reconciliations were not reviewed and approved by relevant officials Audit finding In terms of MFMA section 62 (1) states that "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure (b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards; (c) that the municipality has and maintains effective, efficient and transparent systems— (i) of financial and risk management and internal control; "Section 98 (a) (b) states "The accounting officer of a municipal entity must take all reasonable steps to ensure that all revenue received by the entity, including revenue received by any collecting agency on its behalf, is reconciled on a monthly or more regular basis; and (b) all accounts of the entity are reconciled each month. On inspection of the year end grants reconciliation for the MIG, EPWP, Library, MSIG, DWAF, FMG, BPDM and Equitable shares, the reconciliations were not reviewed by revenue manager and approved by the CFO. There is inadequate review and monitoring of compliance with applicable laws and regulations. Errors & misstatements will not be detected and corrected timeously.</p>	<p>Management will ensure Grands reconciliations are reviewed and approved on a month basis.</p>	<p>CFO</p>	<p>28-Feb-16</p>
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VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report

See attached annexure: